Canada's Trade with Western Europe

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OMING——BRAZIL IS SOLVING ITS EXCHANGE PROBLEMS, IN JULY 17 ISSUE

Canada's Trade with Western Europ

N. ROBERT CUMMING, *European Division, International Trade Relations Bran*

rosperity in Western Europe, accompanied by import liberalization, helped Canadians to increase sales there by 31 per cent last ear. Up-trend bids fair to continue throughout 1961.

ANADIAN exports to Western urope rose to $598 million last ear, an increase of 31 per cent ver 1959, and it is expected that ipments will continue to climb is year. Our best West European arkets in 1960 were West Germany ($165 million), France ($73 illion), Norway ($70 million), d the Benelux countries ($69 illion). Exports to Italy increased more than 100 per cent in 1960 p to $66 million from $32 million in 1959). Among our best llers were wheat, barley, oilseeds, ood pulp, lumber, iron ore, uminum, copper, nickel, asbestos, imary and semi-finished steel, nthetic rubber, internal combuson engines, and some electrical paratus.

Much of the prosperity in Westn Europe has come from the eater confidence built up throught the business communities in e two trading blocs—the Euroan Common Market and the uropean Free Trade Association. s tariff barriers between the memrs of these two groups have been duced, trade has increased within e blocs, particularly within EEC.

C and EFTA

Canadian trade and commercial lations with the Six and the Seven ntinued to be dominated by the eps being taken within the respece blocs toward their goals. In the x (France, Germany, Italy, Belum, Netherlands and Luxemurg) the prosperous economic mate made it possible to accelate the tariff-cutting provisions of e Treaty of Rome. By the end of e year, total reductions of 30 per nt had been made in tariffs tween the members. On Janry 1, 1961, the first step was ken in the alignment of their tional tariffs toward the common ternal tariff. Nearly all the common tariff rates had been established by the end of the year but negotiations are still under way between the members on the final form of the common agricultural policy.

Since it opened on September 1, 1960, Canada's main instrument for dealing with the Common Market arrangements has been the GATT Tariff Conference in Geneva. This has provided a major opportunity for Canada to press for reasonable tariff access for our goods to the Six and for satisfactory arrangements on trade in agricultural products.

The Stockholm Convention establishing the European Free Trade Association (the United Kingdom, Denmark, Sweden, Norway, Austria, Switzerland and Portugal) was ratified by all members early last year. Although the countries in this grouping retain their individual national tariffs and although agricultural trade is generally excluded from the EFTA arrangements, the reduction of tariffs between the members has brought sharper competition in some of these markets.

The two groupings were each recently enlarged by the association of an additional member. Negotiations have been completed for the associated membership of Finland in the European Free Trade Association and of Greece in the European Economic Community. Spain has not yet associated itself with either organization.

Problems associated with the emergence of these two trading groups that are also of concern to the United States and Canada prompted the formation of a Committee on Trade Problems. This was set up in Paris in January 1960 and focussed its attention mainly on the need to resolve short-term difficulties between the Six and the Seven. The Paris meetings also led to the creation of the Organization for Economic Co-operation and Development (OECD), membership of which will consist of 18 European countries plus Canada and the United States. It is hoped that the OECD will reinforce the work of existing institutions such as the GATT and the IMF.*

*See "OECD Takes Shape" in *Foreign Trade* of January 28, 1961.

CANADIAN TRADE WITH WESTERN EUROPE

	Exports to			Imports from		
	1960	1959	1958	1960	1959	1958
	(millions of Canadian dollars)					
Austria	7.8	8.3	7.5	6.6	5.8	4.8
Belgium-Luxembourg	69.1	56.2	69.7	41.4	44.7	36.0
Denmark	5.0	5.5	5.0	10.0	9.2	7.8
Finland	4.4	2.8	2.3	1.1	0.9	0.6
France	72.9	43.2	45.2	50.1	56.9	41.1
Greece	5.5	3.8	4.7	0.5	0.3	0.4
Ireland	7.7	8.1	8.3	2.1	2.0	1.4
Italy	66.1	31.7	29.9	42.8	37.7	32.8
Netherlands	62.6	53.8	75.0	31.5	29.1	29.5
Norway	70.1	62.3	56.0	4.2	4.1	3.2
Portugal	3.3	3.2	2.3	3.2	3.1	3.0
Spain	10.2	6.2	6.7	6.9	5.6	6.7
Sweden	20.9	14.9	11.0	20.4	18.0	14.1
Switzerland	26.4	25.7	29.5	24.3	24.5	27.0
West Germany	165.6	129.3	201.9	127.0	123.9	106.0
Total	**597.6**	**455.0**	**555.0**	**372.1**	**365.8**	**315.4**

Source—DBS.

In 1960 some countries—such as Sweden, Norway, Austria and Finland—continued to enjoy a rising rate of growth in industrial output, but the rate of increase in certain others was somewhat slower. A period of inventory accumulation that had amplified the boom in some areas came to an end, and businessmen tended to adopt a more cautious inventory policy.

Demand Continues Strong

However, the main element of strength was internal demand. Incomes, purchasing power, and consumer buying increased without interruption. Full employment in general and acute labour shortages in some areas kept pay envelopes filled and brought increases in wage scales. Although the latter led to some anticipation of inflationary spirals, the increases were largely offset by growing productivity made possible by the strong domestic demand and consequent economies of scale.

Modest increases in prices appear to have been offset by other factors and the purchasing power of European consumers is much stronger than at any previous time. The market for consumer goods looks particularly good in 1961 and no saturation point appears to be in sight. The type of merchandise imported into Western Europe reflected the high level of demand. The value of imports into OEEC countries in 1960 was 18 per cent higher than in 1959. It is worth re-emphasizing that imports of OEEC members from North America were almost 40 per cent greater last year. Despite these factors, the market is extremely competitive and buyers are acutely price conscious.

Prospects for Canadian Sales

The over-all prospects for the near future appear to be good and further rises in productivity, purchasing power and standards of living are expected. Canadian producers should examine these markets carefully as potential outlets for their own lines, particularly if they have not done so recently. The general convertibility of currencies and widespread liberalization measures have opened new trade vistas.

Revaluation of the currencies in West Germany and the Netherlands may assist Canadian exporters in selling to those markets, although Canada has aggressive competitors who are on the same footing as ourselves. Since this time last year, important liberalization measures have taken effect in France, Italy, Norway and several other European countries. In France particularly, access to the market for Canadian exporters is better than it has been for many years and opportunities should be aggressively pursued.

Some exporters have already discovered that, when they cannot ship their finished products from Canada, it pays to seek an arrangement with a manufacturer within one of the trading blocs. The exporter then ships components for assembly within the area. This has been tried successfully, particularly within the Common Market, and illustrates what can be achieved if the market is approached aggressively and imaginatively. Canadian producers have the full facilities of the Department of Trade and Commerce, both at home and abroad, at their service, and should consult the Department on the prospects for their products and obtain full details before making any final decisions in European markets. It is most important to visit the area personally, not only to select agents and to make other commercial arrangements but also to examine the market at first hand and to assess European tastes and preferences, which often differ considerably from those in North America. Above all, exporters should not be easily discouraged; these markets are extremely competitive and take time to cultivate. However, as many Canadian companies have already proved, it is well worth the time, effort and expense needed and can offer promising rewards. ●

Trade with the Maldives

WHAT opportunities are there fo Canadian trade with the Maldiv Islands? My visit to the area last Ma uncovered markets for various Cana dian products, especially fishing boats outboard motors and other gea (which could be useful in expandin local fisheries production), canne foodstuffs, and a variety of consume goods.

For Canadians unfamiliar with th area, I should explain that the Ma dive Islands consist of approximatel 2,000 islands grouped in 17 atol about 400 miles southwest of Ceylon About 100,000 people inhabit som 800 of these islands.

Fishing provides the main occupa tion for most of the islanders. Ap proximately 1,000 fishing boats ope ate in nearby waters and catche include bonito-tuna, cod and grouper The majority of the boats are ope canoe-shaped vessels about 30 fe long, powered by sail or oar. Ther are also six Ceylon-built 26-foo diesel fishing boats and a number c larger craft used primarily for carry ing freight between the islands.

Fish also provides the Maldive with its main export: approximatel 4,000 cwt. per month are shipped t Ceylon. Chief imports are foodstuf —about Rs.500,000 worth eac month. (Rs.1=$0.21.) Other impor include fishing gear and equipmen hardware, tobacco, and other con sumer goods. The bulk of the impo and export trade is controlled by th Maldivian National Trading Corpora tion, a government-sponsored bus ness organization with its head offic in Male, the capital of the Maldiv Islands. The Ceylon rupee is use for these trade transactions as th Maldivian rupee is not backed by an internationally recognized reserves.

The Maldives were formerly dependency of Ceylon but became Republic in 1953. Their present statu is that of an independent state unde British protection. The British Gov ernment, by agreement with the Ma divian Government, is responsible fo foreign political contacts but the loca government controls all other matter

The language of the Islands is dialect of Sinhalese, but English written and spoken by the ruling cla and is becoming more common und a government policy which encou ages its use.

—I. V. MACDONALD,
Commercial Secretary, Colomb

The Common Market Forges Ahead

This comprehensive review of progress made within the EEC last year touches on all aspects of the Community's activities, with emphasis on the eventual achievement of economic integration.

P. T. EASTHAM, *Assistant Commercial Secretary, Brussels.*

HE buoyant business conditions at prevailed generally in the Community in 1959 continued through-t 1960. Industrial production in e six countries as a whole creased by 11 per cent over 1959 d the gross national product rose 7 per cent. In 1959 much of e impetus was provided by ex-rts, but the expansion in 1960 gely resulted from greater inter-l demand brought about by an per cent increase in business vestment and a somewhat smaller in in private consumption. Never-eless, Community exports in 1960 se to $19.6 billion, 13 per cent ead of the previous year, notwith-nding a 5 per cent decline in pments to the United States, the mmunity's principal trading part-r. Imports from third countries reased by 20 per cent to $20 lion, and although the rate of pansion in imports slowed down ring the year, it remained higher n for exports. Thus the Com-nity's trade balance was reduced m $1,044 million in 1959 to 50 million in 1960, although a avy inflow of capital resulted in a bstantial increase in the surplus the balance of payments. Not prisingly, there was another ge increase in intra-Community de—25 per cent over 1959.

adjustment in Industry

Undoubtedly much of the dyna-sm in the economies of the Six he result of the gradual establish-nt of the Common Market. hough the process of dismantling ernal trade barriers is only now uming significant proportions, mmunity industries for some time have been strengthening their position by entering into mergers and specialization agreements, modernizing and enlarging plants, and extending sales networks in order to meet the competition and reap the benefits from the ultimate objective of a single market of 170 million people. That Community businessmen are looking more to the opportunities than to the difficulties of the Common Market is evidenced by the widespread support they gave to the decision of May 12, 1960, to accelerate the implementation of the Treaty.

Tariff and Quota Developments

Previous articles in *Foreign Trade* have dealt in detail with the timetable of tariff and quota changes called for by the Treaty[1], the effects of the acceleration decision[2], and the first step in approximating the separate external tariffs of the member states to the common external tariff[3]. As the EEC began its fourth year on January 1, 1961, internal tariffs on industrial goods had been cut by 30 per cent and at the end of this year the total reduction will be brought to either 40 or 50 per cent, depending on a decision to be taken shortly by the Council of Ministers. Should they decide in favour of the larger cut, the internal tariff reductions will be three years ahead of the schedule laid down in the Treaty. Quotas on industrial goods in intra-Community trade are to be abolished by the end of 1961, well ahead of the original target date. The first step in bringing the national tariffs applicable to third countries into line with the Common External Tariff was taken last January 1, one year earlier than originally planned. For agricultural products progress has been slower, but even in this sector the original time-table has been accelerated a bit and the involved process of formulating the common agricultural policy of the Community has been speeded up.

Towards Economic Union

Important as these measures are, they account for a relatively small part of the activities of the Community institutions in working out the many elements that make up a complete economic union. First, it is not enough to abolish the traditional tariff and quota barriers to trade if competition within the Common Market is restricted or distorted by other devices—such as state and private monopolies, production subsidies, export aids, discriminatory taxes on goods, arbitrary product standards and so on. Second, provision must be made for the free movement of labor and capital within the Community and for the removal of existing restrictions on the right of businesses and members of professions to establish or provide services in other member countries. Third, common policies must be adopted in fields where free competition is not possible (such as agriculture and transport)

[1] "The European Common Market and Negotiations for a Free Trade Area", *Foreign Trade*, June 20, 1959.

[2] "European Trading Arrangements", July 2, 1960.

[3] "First Steps Toward the Common External Tariff", January 28, 1961.

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or where the degree of integration in the economies of the six countries brought about by the measures mentioned so far makes it necessary to have Community policies—for example, on external commercial relations, social matters and regional development. In turn, this degree of integration makes it essential at least to co-ordinate at the Community level the different national policies in the fiscal, financial, monetary, labour and energy fields.

Bearing in mind the fundamental differences in the economic systems of the member countries, the executive branch of the EEC has tackled the whole range of problems simultaneously and after an initial period of organization and study has been able to put forward specific proposals on most of these subjects. Normally the Council of Ministers takes final decisions—in certain cases only after the proposals have been debated in the European Parliamentary Assembly or considered by the Economic and Social Committee, which consists of representatives of industry, labour, agriculture and consumers.

The following is a brief review of the main activities of the Community and the achievements so far.

Competition

- Preparation of the first draft regulations on cartels and monopolies, involving compulsory notification of the existence of cartels and a procedure for authorizing those the Commission considers are not against the interests of the Common Market.

- Adoption by the Council of an inter-government agreement whereby member countries will not modify the rates of compensatory taxes on imports and tax rebates on exports except for purely fiscal reasons and after consultation with the Commission. Studies are well advanced on the possibility of adopting a common turnover tax to be applied throughout the Community. The effects of other taxes, both direct and indirect, on the working of the Common Market are also being studied with a view to possible harmonizing of the national legislation.

- Adoption of a regulation providing a remedy for dumping practices during the transition period.

Free Movement of Labour

- Adoption of an immediately binding Convention under which workers are entitled to social security benefits even if they move to a member country other than the one in which they have paid their contributions.

- Preparation of the first draft directive to ensure by the end of the transition period the freedom of workers to take up employment in any EEC country.

Freedom to Establish and Supply Services

- Preparation of draft general program laying down time-tables for the progressive abolition over the transition period of restrctions on the freedom of establishment and the free supply of services throughout the Community. The right of establishment has been called the "freedom of movement of initiative", and will enable Community firms and individuals to establish businesses or open branches in any other member country on the same terms as nationals of that country. The programs for both establishment and supply of services extend to the exercise of the professions as well as service industries, such as insurance, banking and distribution.

Freedom of Movement of Capital

- Approval by the Council of the first directives for the free movement of capital. Capital movements unconditionally liberalized include those arising out of direct investments and dealings in listed securities. The chief capital movements not yet liberalized are short-term or "hot-money" movements; these must await a greater degree of harmonization of monetary policies.

Transport Policy

- In the transport sector, the Council last year adopted regulations prohibiting discrimination in rates and conditions based on national origin or destination of goods carried within the Community.

- The Commission submitted to the Governments its recommendations for developing the basic Community network of roads, railways and inland waterways, including proposals for specific improvement projects that might be carried out with assistance from the European Investment Bank.

- In April the Commission submitted to the Council its proposals for a common transport policy. This aims to provide the minimum amount of regulation of the industry necessary for it to operate on an orderly basis while providing services at economic rates.

Agricultural Policy

- The Commission's revised proposals for a common agricultural policy were submitted to the Council in June 1960. The Council appointed a special committee to make a detailed study of the proposals and prepare draft decisions. In December, the Council approved in principle the application of a system of variable levies to facilitate the transition to the Common Market stage for a number of basic products (sugar, wheat, coarse grains, eggs, poultry and pork). The levies will apply to both internal and external trade; the internal levies are to disappear when prices have been adjusted to a common level. For certain other products there will be a minimum price system for the transition period. The Commission is to submit detailed proposals for grain and pork to the Council before the end of May, and for sugar, eggs and poultry before the end of July, so that the Council

n take its decisions in time to stitute the system for the agricultural year 1961-62. The Commission must also submit detailed oposals on the criteria for determining minimum prices.

xternal Trade Policy

The cornerstone of a common ternal trade policy was laid last ar with the completion, except r two items, of the Community's mmon external tariff. At the time writing, the involved negotiations the GATT for transferring to the mmon external tariff the bindings eviously granted by Community untries are nearing completion, d the Commission is preparing to ter into the second round of riff negotiations on behalf of the mmunity.

A special group of national and mmission representatives is in urse of working out proposals for co-ordination of export credits d export credits insurance polis.

Other special groups are conrned with the co-ordination of tional policies on low-wage imrts and on relations with stateding countries.

ergy Policy

Although the Treaty makes no ovision for a common energy licy, access by Community indus- to low-cost and reliable supes of energy has acquired a new nificance in view of the difficul- in the coal sector and the rate increase in oil imports from ssia and other countries. The C Commission, jointly with the cutives of the Euratom and Coal l Steel Communities, has subted proposals to the Council for program to deal with emergency ations as a first step toward veloping a common energy policy.

cial Policy

The European Social Fund came being last year and the Council opted rules for its operation. The Fund can reimburse 50 per cent of the amounts spent by governments for the occupational training, resettlement and making-up of wages of workers displaced through the implementation of the Common Market.

- Consultation with national representatives, unions and employer organizations are proceeding, with a view to harmonizing national legislation dealing with social security, working conditions and occupational retraining.

Regional Development

- The Commission has drawn up a first outline of a regional economic policy, on the basis of which the European Investment Bank has now granted 14 loans to assist the Community's less developed regions in adjusting to the establishment of the Common Market.

Economic Policy

- Activities aimed at co-ordinating economic policies were stepped up through regular meetings of the Finance Ministers of the member countries and the creation of a Trade Cycle Committee to complement the Monetary Committee called for by the Treaty.

Associated Overseas Countries

- The European Overseas Development Fund by the end of 1960 had granted aid of over $160 million for development projects in the associated overseas countries and territories. All the territories that have become independent (with the exception of Guinea) have chosen to remain associated with the Community. As the original association arrangements expire at the end of 1962, meetings of officials, Parliamentarians and perhaps Ministers will be held soon to work out the terms of the future relationship. Although there is no clear indication yet of the form the new arrangements will take, the view prevails in Community circles that the level of tariff preferences granted by the Six under the present agreement will be reduced, and the associated countries compensated through a scheme to stabilize their export incomes.

Association with Other Countries

- A draft agreement for the association of Greece with the Community was initialled on March 30. It provides in effect for a customs union between Greece and the EEC, to be implemented for about two thirds of the trade over 12 years and for the remaining third over 20 years. It is intended to enable Greece eventually to become a full member of the Community.

- The negotiations for the association of Turkey have been resumed.

- The application by the Netherlands for the association of the Netherlands Antilles is still pending, while agreement is sought on the treatment to be afforded in the Community to oil products refined in the Antilles from imported crude.

Problems Ahead

It is clear from the foregoing (which is by no means an exhaustive list) that a good start has been made on most of the aspects of economic integration. On the other hand, the Council has made final decisions on policy in only a few instances and for some of the proposals—particularly those relating to agriculture, monopolies and energy—there is a wide measure of disagreement among the member countries. These problems are heightened by the uncertainties created by the possible association of the United Kingdom with the Community and the nature of the Community's future relations with the associated overseas territories. At the same time, the member countries appear to be increasingly interested in proceeding with the ultimate objective of political as well as economic integration, as evidenced by the first European "Summit" meeting held in Paris last February and the plans to hold

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further meetings of the Heads of State and Foreign Ministers at regular intervals. The merging of the executives of the three Communities and direct elections to the European Parliamentary Assembly by universal suffrage are also being considered. Most observers in the Community think that the advantages of political unity, combined with the economic benefits which woulc accrue to most interests from a genuine Common Market, are sufficien incentive for the finding of appropriate solutions to the problems. ●

EFTA: a Current Review

Since the Stockholm Convention setting up EFTA was ratified 14 months ago, the Association has taken a number of steps in addition to tariff reductions. These are outlined here.

C. L. BLAND, *Commonwealth Division, International Trade Relations Branch.*

OVER 18 months ago the Ministers representing the seven EFTA countries initialled the Stockholm Convention that gave birth to the European Free Trade Association.*

Negotiations for the establishment of EFTA were initiated following the breakdown of attempts to form a Europe-wide free trade association that would include the Six of the Common Market. In establishing its more limited trading group, the Seven felt that this action might pave the way for the formation eventually of a broader European arrangement.

The objects of the EFTA, as set out in the Convention, are to advance economic expansion, productivity and the rational use of resources while avoiding disparity in the supply of basic materials produced within the area, and to promote full employment and a higher standard of living within the EFTA. The Convention provides for the gradual removal of all protective tariffs on industrial products between member countries not later than January 1, 1970. It also calls for the elimination of other barriers to trade. Quantitative restrictions between member countries are to be removed not later than December 31, 1969, through a series of annual increases in quotas. In addition, there are provisions for the Council to decide upon acceleration of the time-table for reducing tariffs and to admit new members to the EFTA either by accession or association.

Over a year has elapsed since the Convention was formally ratified on May 3, 1960. What has happened since? The following paragraphs discuss the major developments in the European Free Trade Area since the first tariff reduction of 20 per cent was effected on July 1, 1960.

EFTA Institutions Functioning

The institutions of the Association have passed the experimental stage and are now in full working order. EFTA has a permanent secretariat, a budget, and expert committees. The first step in the process of creating a free trade area was taken on July 1, 1960, when the members cut tariffs on most industrial goods produced and sold among themselves by 20 per cent. In addition, EFTA countries made certain relaxations in import quotas.

During the fall of 1960 the second ministerial meeting of th EFTA Council was held in Berne where a discussion took place o possible modification of the timetable for tariff reductions laid dow in the Stockholm Convention. Several other meetings, mainly on internal problems peculiar to th member countries, were held durin the last quarter of 1960.

The EFTA ministerial meetin convened in Geneva on the 14th 15th and 16th of February 1961 i said to have been the most important meeting since the Conventio was initialled in Stockholm. It wa here that the formal decision on th acceleration of the time-table fo tariff reductions was taken. Th Ministerial Council decided to brin forward the date on which the nex tariff reduction of 10 per cent wa to have been made from January 1 1962, to July 1, 1961. This mov was in part due to a desire to kee pace with tariff reductions in th EEC. The Ministers also agreed th the Council should study the possibility of making further advance in subsequent stages of the timetable for reducing and eliminatin the tariffs applied within EFTA The Council also recommended th

*See *Foreign Trade*, January 16, 1960, "The European Free Trade Association."

Facts about EFTA

- Members are: Norway, Denmark, Sweden, Austria, Switzerland, Portugal, and the United Kingdom. Finland became an associate member on March 27, 1961.
- In 1960 exports from EFTA countries to other member countries totalled $3,403 million; imports came to $3,626 million. Both figures represent a gain of 15 per cent over 1959. The United Kingdom accounted for approximately one third of total trade within EFTA during 1960. Exports by EFTA to the EEC totalled $4,299 million in 1960 (up 12 per cent); imports from the Six stood at $6,383 million, an increase of 17 per cent.
- The EFTA countries combined export about one quarter of their gross national product. Imports account on the average for approximately 30 per cent of EFTA's gross national product, with some EFTA members reaching percentages of 40 to 45.
- The EFTA countries export nearly six times as much to non-members as they export to one another, and nearly twice as much to countries outside as to countries inside Europe.
- EFTA countries have approximately 90 million people, or about 50 per cent as many as EEC's 170 million. Yet EFTA's imports are equivalent to 80 per cent of the imports of the EEC and the proportion for exports is 65 per cent.

the development of agricultural trade within the EFTA be examined and set July 1, 1961, as the target date for this review.

Consultative Committee Set Up

At this same February meeting, the formal decision was made to create a Consultative Committee, the terms of which the Ministers had agreed to at Berne in October 1960. This Consultative Committee is not a policy-making body but is designed to facilitate contact between the executive organs of EFTA and independent business representatives of the member countries. It will provide opportunity for exchange of views and information on any matter within the scope of the Association. Each member country may appoint up to five businessmen or labour leaders to the committee. It is to meet at least twice a year and will be presided over by the chairman of the EFTA Council, who will report directly to that body for the Committee. The first meeting of the Consultative Committee was held in London on May 9, 1961. Industrial problems within the EFTA and the implications of the Association in the social and labour fields were discussed at the initial session.

Finland Becomes Associated

On March 27, 1961, an agreement was signed creating an association between Finland and the members of the European Free Trade Association. The agreement recently signed at Helsinki, popularly known as EFA (EFTA—Finnish Association), creates a free trade association between the seven EFTA countries on the one hand and Finland on the other. This free trade association will co-exist with the European Free Trade Association, which will continue to function as before with its institutions unaffected by the agreement. The EFA will be supervised by a joint council consisting of the EFTA Council and a Finnish representative. Under the terms of the agreement, the first tariff reductions and the first relaxation of quantitative import restrictions will take place on July 1, 1961. Finland will reduce its duties towards the EFTA countries by 30 per cent for most products and the member states of EFTA will extend to Finland the 20 per cent reduction they have already made, together with the further 10 per cent reduction slated for July 1 of this year.

Certain Tariff Exceptions

The exception as far as tariffs are concerned is that Finland, in order to protect certain industries from too sudden an inflow of competitive goods, may reduce her import duties on certain products (mainly varnishes, polishes, rubber tires, leather and footwear, all textiles and various small articles made of iron or steel) at a slower pace—that is, 20 per cent on July 1, 1961, not 30 per cent. In addition, a second reduction for these same industries is not due until 1965. The other exception is that Finland may also retain indefinitely existing quantitative restrictions on a number of other goods; the most important are solid and liquid fuels and certain types of fertilizers.

Tours of Commodity Officers

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

— ★ indicates Trade Commissioner Service offi

Norway

Increased sales of Canadian goods, including consumer products, are possible in Norway as a result of the virtually complete import liberalization there; our sales rose by about $8 million last year to reach $70 million and new agencies are being arranged.

M. B. BURSEY, *Commercial Counsellor, Oslo.*

NORWAY achieved a record rate of economic growth in 1960, although in some important branches of activity (such as fishing and whaling) production declined. In addition, a water shortage seriously hampered electrical output for the electricity-consuming industries during the last months of the year. Despite these factors, total production rose by about 6.5 per cent, the largest increase in any postwar year since 1947. The progress made in 1960 should be viewed against the background of developments in 1957 and 1958 when capacities were considerably expanded but growth in output was relatively small. Increased foreign demand for Norwegian goods and an expansive financial and credit policy made possible full use of this production potential in 1960. A slower rate of growth is therefore to be expected in 1961. (The National Budget puts the expected increase at only 4 per cent.)

With capacity being used to such a high degree, tendencies to strain have also developed. In the industrial districts the scarcity of labour is setting limits on the possibility of expansion in output and the sharp jump in imports in 1960 may also signal rising pressure in demand. The crucial question at the beginning of the new year was therefore whether it would be necessary to adopt measures to counteract these tendencies to strain—measures similar to those already introduced in 1959 in most of the countries of Western Europe. The Joint Consultation Council convened in February to discuss the situation and it decided that the right course woul be to adopt a few reversibl measures of restraint that woul limit the liquidity within the cred system.

The harvest in 1960 was esti mated at 106 per cent of a norma crop year and livestock productio is reported to be somewhat large than in 1959. Output of conifer tim ber during the 1959-60 felling sea son approximated 7 million cubi metres, 550,000 cubic metres mor than in the previous season. Th 1960 fisheries catch is estimated a 1.26 million tons, valued at 64 million Norwegian kroner*—a con siderable drop from 1959' 1,360,000 tons, valued at 667 mil lion kroner. The decline was mainl because of the small catches o herring; winter herring fisheri yielded the lowest output sinc 1944. The mackerel catch, howeve reached a new peak. Norwegia whaling operations produce 681,000 barrels of oil, or 145,00 barrels less than in the 1958-5 season.

*One Can. dollar=7.26 Kroner.

NORWEGIAN BALANCE OF PAYMENTS

	1959	1960
	(in millions of kroner)	
A. Goods and Services:		
1. Income:		
Export of goods	5,620	6,022
Export of ships	206	295
Net freight income	3,000	3,125
Other net services	287	375
Total	9,113	9,817
2. Expenditure:		
Import of goods	7,426	9,018
Import of ships	2,083	1,474
Total	9,509	10,492
Balance	—396	—675
B. Interest on Loans and Foreign Aid:		
Net aid from foreign countries	69	144
Net interest on loans from abroad	235	259
Balance	—166	—115
Total Balance of Payments	**—562**	**—790**

Industrial Output Larger

Industrial production rose approximately 8 per cent, increasing more in the export industries than in those producing for the home market. Of the export industries, the most marked rise in output was in mechanical and chemical pulp, paper, herring oil, ferro-alloys and aluminum. The production increase in home-market industries was largest in consumer goods—particularly paper and paperboard products, radios, household articles of metal, and electrical appliances. Electricity production increased by more than per cent over 1959 and building and construction rose slightly; about 27,000 dwellings were completed as against 26,500 in the previous year.

Continued low freight rates prevailed in the shipping industry in 1960 but there was less laid-up tonnage; 49 ships totalling 366,000 gross tons were laid up, 272,000 less than one year earlier. During the year, shipping companies took delivery of 79 new vessels totalling 1.15 million tons deadweight, and by the end of the year building contracts for Norwegian shipping companies had reached 3.4 million gross tons. Altogether the Norwegian merchant fleet increased by 413,000 gross tons to a total of 11.2 million by the end of the year.

ORIGIN OF NORWEGIAN IMPORTS

Imports from	1959	1960
	(in millions of kroner)	
Denmark	311	381
Sweden	785	982
Belgium and Luxembourg	254	302
France	251	336
Netherlands	470	522
United Kingdom	1,195	1,467
West Germany	1,234	1,537
Total from Europe	5,372	6,515
Of which:		
Free Trade Association	2,506	3,074
Common Market	2,352	2,843
Total from Africa	212	245
Total from Asia	198	264
Total from North America	1,317	1,595
Of which:		
Canada	451	509
United States	661	874
Total from South America	235	317
Total from Australia, etc.	32	29
Total Imports	**7,366**	**8,965**

The Government recently published its new long-term program for the four-year period 1962-1965 in which it aims at a production increase of 17 per cent, or approximately 4 per cent a year. Emphasis is placed on greater investment in industry, on hydroelectric power development, and extended and improved communications. Defence expenditure is expected to increase by about 10 per cent and a net capital import of some two million kroner is anticipated during the period. The program aims at accelerated industrial development, full employment, and a rationalization of agriculture, forestry and fisheries.

Balance of Payments

Norway's balance of payments with foreign countries showed a deficit of 675 million kroner compared with a deficit of 396 million in 1959. Income rose from 9,113 to 9,817 million kroner. Some 400 million kroner came from the export of goods, 90 million from the export of ships, 125 million from freight earnings, and 90 million from earnings of other services. Foreign payments increased from 9,509 to 10,492 million kroner, with imports of goods rising in value by 1,592 million kroner and imports of ships declining by 609 million. The total deficit on balance of payments rose from 562 million kroner in 1959 to 790 million in 1960, an increase of 228 million. The various foreign exchange transactions resulted in a rise in foreign currency holdings of 134 million kroner. The table on the left shows the balance-of-payments situation at the end of the last two years.

CANADIAN EXPORTS TO NORWAY

	1959	1960
	(in $'000)	
Nickel in matte or speiss	39,787.1	44,877.6
Copper, fine, in ore	9,023.8	10,237.2
Wheat	4,958.5	6,163.9
Flaxseed	971.	1,083.7
Zinc in ore	532.7	883.7
Platinum concentrates	598.2	860.9
Synthetic rubber, plastics		542.9
Carbon graphite electrodes	32.4	392.2
Commercial twine fishing nets	469.4	376.8
Drugs and chemicals	3,327.7	*
Asbestos milled fibres	220.1	332.2
Pigments, n.o.p.	148.5	295.1
Bookkeeping and calculating machines and parts	266.5	215.9
Synthetic fibre thread and yarn	29.1	209.7
Aircraft engines and parts	77.8	129.7
Polystyrene	28.3	125.9
Sparkplugs	89.5	77.9
Motor vehicles and parts	62.6	76.4
Sausage casings	51.0	61.5
Ores, n.o.p.	196.5	60.5
Aluminum in primary forms	230.6	50.5

*DBS classification changed in 1960, so true comparison not possible.

Foreign Trade

The year 1960 established records for Norwegian imports, exports, and for the deficit on trade

with other countries. Of the 1,600 million kroner increase in imports, some 300 to 350 million represented consumer products and the remainder capital goods. Exports increased by 413 million kroner, with special emphasis on forest products and base metals. Norway's trade deficit with the Common Market countries rose sharply, particularly with West Germany, where it increased from 389 million kroner in 1959 to 680 million in 1960. The trade deficit with EFTA countries rose to 406 million kroner compared with 298 million in 1959. The accompanying table shows the origin of Norway's imports during the last two years.

As a member of EFTA, Norway reduced her tariff on July 1, 1960, by 20 per cent on practically all goods imported from other member countries, with the exception of agricultural products, fish and other marine products, as well as commodities subject to a fiscal rate of duty rather than a protective rate. Norway has declared that the duty rates levied on automobiles and spirits are fiscal and therefore not subject to the 20 per cent reduction. On July 1, 1961, this preference will be increased to 30 per cent and by means of a series of 10 per cent reductions over a period of years the duty on imports from EFTA countries will finally be abolished. Although this preferential tariff has placed some Canadian products in a less competitive position than before, Canada's trade has not yet been noticeably affected.

Norway does not discriminate against imports from dollar countries and quantitative restrictions on imports are now of little consequence. Apart from a large number of agricultural products which are subject to import licences issued by the Department of Agriculture, practically all goods are now free from import control as a result of the free-listing of a considerable number of industrial goods on July 1, 1960, and April 1 and May 1, 1961. The remainder will be released from import licensing on July 1, 1961, and January 1, 1962.

Imports from Canada

Last year Norway ranked as Canada's seventh largest export market. Canadian exports to Norway in 1959 totalled $62.4 million but they rose to $70.1 million in 1960. The accompanying table shows some of the most important products exported to Norway in these two years.

As a result of the almost complete relaxation of import controls, Canadian exporters will now have an opportunity to increase their sales to the Norwegian market in competition with similar products from other countries. If Canadian manufacturers and exporters are able to take advantage of this opportunity, increased sales could easily result. Since the Export Trade Promotion Conference held at Ottawa last December, 27 new Canadian agencies have been established in this territory. These agencies cover such items as household utensils, beer, nylon sporting jackets, off-highway tracked carriers, leather, drydock repairs for Norwegian ships, synthetic and some cotton textiles, suede and leather jackets, wallpaper, electric household refrigerators and deep-freeze units, electric ranges and other electric household equipment, botanical crude drugs, fibreglass woven fabrics and rovings for reinforced plastics, bathroom scales, automotive hardware products, battery chargers, airport snow-removal machines, and aircraft. Other Canadian exporters should therefore seriously consider the possibilities of Norway as an outlet for industrial raw and semi-finished products and machinery and equipment, as well as a variety of consumer goods. ●

Sweden

Swedish economy expanded last year, as industrial output rose and foreign trade achieved a record. Canadian exports to Sweden increased 33 per cent over 1959, with metals in the lead.

M. T. THOMAS, *Assistant Commercial Secretary, Stockholm.*

THE year 1960 was for Sweden, as for Western Europe in general, one of economic expansion. Production was 9 per cent higher than in 1959, foreign trade reached a record, with exports up 16 per cent, imports 19 per cent and the trade deficit doubled. Unemployment was low and although wages rose, prices remained fairly stable. Official economic policy contributed to price stability by imposing stricter monetary controls. The only, but nevertheless important, fiscal intervention the Government made during 1960 was the imposition of a 4.2 per cent general sales tax. The success of the Government's measures is indicated by the fact that the industrial boom did not at any time become inflationary. Disregarding the sales tax, the consumer price index climbed by barely 1 per cent during 1960; wholesale prices rose by about 2 per cent. The index for import prices dropped by about 3 per cent and the export price index rose by 1.5 per cent.

Foreign exchange reserves fell in 1960 by Kr. 159 million to Kr. 2,888 million, or the equivalent of a little over two months' imports. Increased shipping receipts were unable to offset entirely the impo

urplus of Kr. 1,605 million and the palance of payments on current ac-count showed a deficit of about Kr. 300 million for the year.

Production Rises Rapidly

The gross national product rose by 5 per cent during 1960 which, when viewed as part of the general upswing which began in 1958, rep-esents the most rapid growth since he 1949-51 boom. Industrial pro-luction rose by 7 per cent. Dur-ng the second half of the year, the ate of increase slackened noticeably pecause of labour shortages. The ncrease was divided among the var-ous branches as shown in Table I.

Forest Industries

The Swedish forest products in-ustry enjoyed a good year in 1960; he paper branch was in the lead vith a rise in production of over 18 er cent. Keen demand both in the omestic and export markets seems ikely to continue into the near uture at least. Supported by this xpansion, capacity was increased omewhat and several more mills ntroduced continuous production.

The wallboard industry did not hare in the general growth. Both he level of sales prices and the in-ow of orders in this export-oriented ndustry showed a tendency to de-line towards the end of the year.

Want to export to Sweden? Remember these points

- The Swedish market is one of the most open in Europe. This condition has persisted for many years and competition is therefore very keen.
- The Swedish buyer is discriminating, demands quality and is price conscious.
- To sell to Sweden, a Canadian exporter should have a Swedish agent and be sufficiently flexible in export and advertising policy to adapt to market conditions.
- Quotations must be in U.S. dollars or Swedish crowns, c.i.f. Swedish port.
- Letter of credit terms are rarely acceptable. C.A.D. terms or better are preferred.
- Swedish business firms and associations are most efficient and correspondence can accomplish a good deal, BUT
- There is no substitute for a personal visit by the Canadian businessman.

Production and delivery of wood pulp was higher than ever and capacity, which increased substantially during the second half of 1959, was used to the full throughout 1960. Exports were well maintained but because of intensified competition (mainly from North America) Sweden's share of the European cellulose market was smaller. Prices were raised slightly early in the year and in December there was a further small rise in the prices of unbleached qualities. Several mills embarked on substantial investment programs.

Demand for sawn and planed lumber was buoyant throughout the year and exports totalled over seven million standards. However, towards the end of the year stocks began to build up rapidly and it is expected that exports will decline somewhat in 1961. Sweden's main customers for timber products were, as usual, the United Kingdom, the Netherlands, and West Germany.

Mining and Metal Industries

The iron mines, which directly and indirectly provide Sweden with an important share of its export income, after decreasing output slightly in 1959 expanded by 17 per cent in 1960 to reach a record output of 22 million tons. Exports totalled 20 million tons. Contracts

TABLE I

SWEDISH INDUSTRIAL PRODUCTION

Industries	Production Indices (1935=100) 1959	1960	Percentage changes as compared with the same period of previous year 1959	1960
Capital goods	280	306	3	9
Consumption goods	206	217	3	5
Iron ore	238	278	—2	17
Iron and metal works	255	278	14	9
Wood	177	199	—6	12
Pulp	168	191	4	14
Paper and paperboard	234	275	11	18
Food	203	209	1	3
Spinning and weaving mills and knitted goods	147		2*	5*
Ready-made clothing	215		7*	4*
Leather and shoes	114	109	—3	—5

*1st to 3rd quarters.

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Swedish saw-logs leave the pond and are carried up the jack-ladder to the headrig to join the growing march of products from Sweden's forest industries.

for 1961 have been signed at the same price as for 1960 and it is expected that production will expand further during the year. Some enterprises are planning greater use of capacity.

After a rather slow start during the first half of 1960, production of iron and metals rose steadily throughout the second half to reach 9 per cent above 1959. The expansion reflected the increase in production in the engineering industry, both in Sweden and in its more important Western European trading partners. Some production figures for selected commodities within the iron and metal industry for 1959-60 follow.

	1959	1960
	(thousands of metric tons)	
Pig iron and sponge iron	1,523	1,655
Ingots	2,862	3,219
Finished steel	1,932	2,161

Although there was a tendency for the most important consumer, the engineering industry, to build up too large stocks at the end of 1960, the prospects for the iron and metal industries for 1961 are favourable in view of orders already on hand.

Engineering and Shipbuilding

The engineering industry had a record year in 1960, though rate of expansion varied from branch to branch. Output in the iron and metalworks branch was up by 15 per cent, in mechanical engineering by 9 per cent, and in electrical engineering by 15 per cent. Although the home market expanded somewhat, the greater part of the increase resulted from export orders. According to information available to date, there is no sign of the expansion in the engineering industries slowing down.

Output of 108,382 units in the automobile industry was the highest ever reached. Some ground was won, particularly in the home market, from British, West German and European competitors. The Swedish automobile producer, SAAB, benefited most from this growth; Volvo production was about the same as in the previous year.

Although the shipyards' output of 763,000 gross tons was smaller than in 1959, Swedish shipbuilders were active in 1960. More dry cargo vessels than fuel oil tankers were launched. There were fewer new orders in 1960 but inquiries increased considerably during the second half of the year.

Textiles

The textile industries had, generally speaking, a successful year; output rose 5 per cent above 1959. Modernization continued and there were fewer failures than in the previous year. Some production figures for the textile industries are given in the following table.

	1959	1960
	(in metric tons)	
Cotton yarn	25,784	25,849
Wool yarn	13,261	13,648
Rayon wool	20,112	20,312
Stockings and knitted goods	7,030	7,738
Woollen piecegoods	10,561	11,225
Cotton piecegoods	22,730	22,788
Goods of synthetic or artificial fibres	9,116	9,714

Agricultural Output

Even though the summer of 196[illegible] was the wettest on record, the harvest was a normal one. The tota[illegible] volume of bread grains harveste[illegible] (1,048,500 metric tons) was 0.[illegible] per cent higher than in 1959 bu[illegible] quality was poorer because of th[illegible] bad weather. Although Sweden i[illegible] self-sufficient in bread grains, a certain percentage will have to be imported to improve the quality o[illegible] flour.

The harvest of fodder grain (2,610,200 tons) was a record one 34.7 per cent higher than in 1959 Although much of it was of poo[illegible] quality, it will more than cover domestic requirements. Sugar beets at 2,391,100 tons, 38 per cen[illegible] higher than 1959, also achieved [illegible] record and other fodder crops wer[illegible] also larger.

Normally, Swedish exports o[illegible] agricultural produce have a value o[illegible] about Kr. 400 million and the figur[illegible] will probably remain the same fo[illegible] 1961. Exports of grain should b[illegible] larger but exports of oilseeds an[illegible] oil will be extremely small. Export[illegible] of pork are expected to decreas[illegible] and butter sales abroad to increas[illegible] On the import side, reductions wi[illegible] outnumber increases. Imports o[illegible] bread grains may rise somewhat bu[illegible] those of fodder grains will fall. Th[illegible] demand for imports of vegetab[illegible] oils has increased but less potato[illegible] and sugar will have to be importe[illegible]

Foreign Trade Expands

The expansion in Swedish foreig[illegible] trade in 1960 was the greatest sin[illegible] 1950-52. Exports rose in volum[illegible] by 12 per cent and in value by [illegible] per cent to reach Kr. 13,284 million and imports went up by [illegible]

TABLE II

PRINCIPAL SWEDISH IMPORTS AND EXPORTS

	1960 (million Kr.)
mports	
Petroleum products	1,689.5
Chemicals, basic and compound	426.9
Textile yarns	267.3
Textile fabrics	614.3
ron and steel	937.2
Machinery and apparatus	2,433.9
Motor vehicles and components	952.0
nstruments, etc.	305.1
Exports	
Timber, sawn wood	1,084.1
Pulp	1,767.0
Iron ore	1,060.4
Paper and newsprint	1,141.6
Iron and steel	857.6
Metal manufactures	404.2
Machinery and apparatus	2,550.2
Motor vehicles and components	634.3
hips	930.4

per cent in volume and 19 per cent in value to reach Kr. 14,887.7 million. The trade deficit was the largest on record. Table II shows the structure of the more important Swedish imports and exports during 1960.

The increase in Swedish exports was concentrated in the traditional commodities: iron ore, iron and steel, machinery, and motor cars. Of the imports, over half were accounted for by the raw materials and other goods used by industry or further processed within the country. Consumer goods made up only about 25 per cent of the increase.

Table III shows the direction of Swedish trade in 1960.

During 1960 Sweden's trade continued to flow in traditional channels. Britain remained the country's best customer, followed closely by West Germany. At a somewhat greater distance stood Sweden's two Scandinavian neighbours, Norway and Denmark, followed by the United States. West Germany was the most important source of imported goods, supplying nearly one quarter of Sweden's needs. Britain occupied her traditional position as second most important exporter to the Swedish market, followed closely by the United States. Sweden's most important trading partners have always been in Europe and North America and in 1960 these areas increased in importance in Swedish foreign trade. Trade with Sweden's European partners expanded rapidly and was exceeded in rate of growth only by imports from North America which in absolute terms were not as large. Trade with EEC was still more important than with EFTA

TABLE III

SWEDEN'S IMPORTS/EXPORTS BY COUNTRIES, 1960

	Imports (million Kr.)	Proportion in per cent	Exports (million Kr.)	Proportion in per cent	Increase or Decrease over 1959 (in per cent) Imports	Exports
EFTA						
Norway	571.4	3.12	1,210.5	9.15		
Denmark	628.1	4.33	872.1	6.59		
U.K.	1,945.9	14.57	2,123.7	15.13	13.41	23.15
Portugal	51.8	0.37	60.9	.45		
Switzerland	279.8	1.13	207.6	1.58		
Austria	152.4	1.02	92.5	.70		
Totals EFTA	3,629.4	26.52	4,567.3	34.51	19.16	18.28
EEC						
W. Germany	3,207.6	22.30	2,016.1	15.02	14.21	17.66
Netherlands	1,165.6	7.12	679.4	5.12	20.73	21.43
Belgium, Lxbg.	577.6	3.81	552.9	4.18		
France	587.6	3.97	516.4	3.81		
Italy	434.7	2.45	436.6	3.37		
Totals EEC	5,973.1	41.80	4,201.4	31.83	16.31	18.32
NORTH AMERICA						
Canada	106.8	0.73	108.8	1.1	33.84	15.7
U.S.	1,843.7	12.57	847.1	6.31	40.12	— .65
Totals N.A.	1,950.5	13.30	955.9	7.11	40.59	—4.46
EASTERN BLOC						
U.S.S.R.	325.6	2.13	197.5	1.4	15.26	—2.16
Poland	120.9	.82	101.4	.78		
East Germany	80.5	.54	141.9	1.09		
Czechoslovakia	59.2	.39	63.5	.47		
Total Eastern Bloc, including other countries	628.0	4.23	570.8	4.11	15.56	11.16
REST OF THE WORLD	2,705.9	14.11	2,989.3	22.44		
TOTAL TRADE	14,887.7		13,284.7		19.27	16.32

TABLE IV

PRINCIPAL CANADIAN EXPORTS TO SWEDEN

	1959	1960
Total	$14,879,089	$20,906,471
of which:		
Nickel, fine	3,848,277	4,822,627
Aluminum, primary	2,058,919	2,798,886
Radio wireless apparatus, n.o.p.	115,781	1,611,270
Nickel in oxide	610,888	1,594,767
Copper ingots, bars, billets	128,581	1,427,400
Plastics, synth. rubber not shaped		737,768
Telegraph, telephone apparatus	17,000	593,325
Scrap iron or steel	135,000	570,682
Bookkeeping, calculating machines	340,095	566,349
Sheet and strip steel	450,928	538,953
Asbestos milled fibres	211,618	421,254
Meats, n.o.p.	405,609	417,301
Ores, n.o.p.	796,440	411,254
Sparkplugs	152,641	350,334
Saws, power operated, and parts	228,865	364,559
Lobster, canned	216,878	273,865
Drugs, chemicals, n.o.p.	1,780,574	254,518
Asbestos, shorts	267,808	253,609
Acids, n.o.p.	131,294	231,905

and although imports from EFTA expanded more rapidly than those from EEC, the reverse was true of exports by a slight margin. Trade with the Eastern Bloc showed a substantial growth, but remained relatively unimportant. Some 22.09 per cent of Swedish exports went to countries outside of Europe, North America and the Eastern Bloc.

Swedish trade with EFTA, which came into effect on July 1, 1960, showed satisfactory if unspectacular growth compared with trade with the EEC. General satisfaction was expressed over the increase in both directions with Sweden's EFTA partners, but at the end of 1960 it was still too early to safely say that any definite trend in Swedish trade has emerged as a result of membership in EFTA.

Trade with Canada

Canadian-Swedish trade showed the greatest growth of recent years. Canadian exports to Sweden increased by 33 to 34 per cent and imports expanded by over 15 per cent. Table IV shows Canadian exports to Sweden for the years 1959 and 1960.

An analysis of these figures reveals that approximately two thirds of Canadian exports to Sweden consist of raw materials and semi-processed commodities, about one quarter of manufactured goods, and the rest of agricultural and food products. These ratios in 1960 confirmed Canada's position as a supplier to Sweden of raw and semi-processed commodities. Despite increases and reductions in what appeared to be spot business in certain types of machinery, some drugs and chemicals, and certain meat products, Canadian exports to Sweden in 1960 showed a healthy expansion on all fronts. It is gratifying that agricultural and processed products shared in this increase.

The existence of EFTA does not seem to have affected adversely the pattern or flow of Canadian commodities to Sweden. Over 80 per cent of Canada's present exports to Sweden enter duty free. Present duties on the remaining commodities range from 6 to 17 per cent, with the average on more important processed goods from Canada at about 10 per cent. Thus by 1970 Canada can reckon with an average discrimination on her exports of manufactured goods to Sweden vis-à-vis the EFTA countries of approximately 10 per cent.

Judging from past and prese performance, it seems likely th Canada will continue its role as supplier to Sweden principally raw materials and semi-process commodities and exports of the traditional goods should increas However, Sweden also offers a rel tively small but wealthy and soph ticated market for manufactur goods of all kinds. Some Canadi manufacturers in such differe fields as medicinal products, mari engines, and textiles have, by offe ing their very best products, be able to gain a foothold in Swede Other Canadian manufacturers w are willing to offer their very b quality and design should not ove look Europe's richest but possib most discriminating market. T office of the Commercial Counsell in Stockholm is always ready to a sist Canadian exporters interest in exploring the opportunities pr sented in Sweden.

Help for the Business Traveller

The businessman travelling abro will often find that Canadian Tra Commissioners can do much to ma his trip pleasant and profitable—provi that they have advance notice of date of the visitor's arrival, his m interests, and his itinerary. Too of Canadian businessmen fail to t advantage of a Trade Commission help by dropping in on him with warning.

If you are travelling abroad on bu ness and think the Trade Commissio might assist you, you should give ea notice of your trip to the Trade Co missioner Service of the Department Trade and Commerce in Ottawa. G the Service your itinerary and whether you would like the Tra Commissioners in the countries you visit to collect information in advar of your arrival, to arrange appointme or to assist in other ways. If you pre you may write directly to these offic at their posts asking for their co-ope tion. If you are planning to initiate r business, it may be helpful to forw samples and descriptions of y products so that the Trade Commissio will have a chance to make a mar survey beforehand.

Finland

)ur sales to Finland last year increased more than 50 per cent but here are still gaps in Finnish production that Canadians could fill, espite competition from Western Europe and the Soviet Bloc.

I. T. THOMAS, *Assistant Commercial Secretary, Stockholm.*

ANADA'S sales to Finland in-eased by 57 per cent last year, flecting the general economic owth that took place on all fronts id the prosperity evident in the immer of 1960 that has continued most unabated into 1961. There e no signs of recession yet though some economists feel the ice of expansion may slow down wards the end of the year.

The gross national product in 960 increased by 8 per cent and idustrial production by 11 per int over 1959—the highest rate of icrease in any year since 1951. kpansion was particularly marked i the lumber, clothing, footwear id paper industries; the textile, emical and foodstuffs industries owed smaller increases. Foreign ade more than kept pace with the neral economic growth, with nports rising by 31 per cent and ports by 19 per cent over 1959.

On the financial front, inflation as held at bay but relative price ability is said to have contributed a large import surplus and a drop the central bank's foreign ex-ange reserves. The Bank of Fin-nd's holdings of foreign exchange ll last year by 6.4 billion Finn-arks to 64.5 billion*. This fall was fset, however, by a simultaneous crease in the foreign exchange sources of the Treasury, with the sult that the country's total ldings remained practically un-anged.

Increased production helped alle-ate one of the country's recurring oblems—winter unemployment. fact, by the end of the year labour shortages had begun to appear in the forest and building industries and the mild winter also helped stimulate employment.

*One Can. dollar=approximately 324 nmarks.

Industrial Production

Although industrial production did not achieve the spectacular rate of increase recorded in 1959, satisfactory growth was experienced on nearly all fronts. January-November statistics show that investment goods achieved a 15 per cent increase and other producers' goods 13 per cent. Consumer goods production rose only 8 per cent and mining activity only 5 per cent above totals for the same period in 1959. The manufacturing industries turned out 12 per cent more.

Timber and Paper—Paper production increased by 16 per cent in 1960, with newsprint alone achieving a 19 per cent gain. Sulphite pulp production expanded even faster, and was 22 per cent higher than for 1959. The greatest increase was in sawn timber production; it reached 1.36 million standards, a rise of 27 per cent. The mild winter and continuing high demand kept activity at a record level in the early months of 1961. The signing of the EFTA agreement has improved the long-term outlook for these industries and it is expected that the progress being made with the planned expansion (by 40 per cent over the next three years) will continue.

Engineering, Metals—Last year was a good one for the engineering industry and the production turnover of individual companies increased by up to 20 per cent. Metalworkers raised production by 14 per cent, most of which was concentrated in the electro-technical branch, smelting, and rolling mills.

Shipbuilding—It was a satisfactory year for shipbuilders; launchings increased and Finnish yards will be well occupied until 1962.

Iron and Steel—Several interesting developments took place in the iron and steel industry. A joint Fenno-Swedish venture, Oy Koverhar AB, was established in April to produce 250,000 tons of pig iron a year. The State and certain private firms joined forces to found the Rautaruukki Oy which will produce pig iron initially and, later, rolling mill products. When its plant has been built at Raahe in northern Finland it will turn out 300,000 tons of pig iron a year.

Consumer Goods—Production of consumer goods did not rise as rapidly as did the production of industrial goods. Foodstuffs, beverages and tobacco manufactures rose by 6 per cent, leather and textiles by only 2 to 3 per cent. Within the textile industry the consolidation that started when the new company, Villaghtyma Oy, was formed in April 1959 to centralize wool production continued into 1960, when seven new mills joined the four which originally constituted the combine. The enlarged company is now responsible for 75 per cent of Finland's production of wool, yarn, and piecegoods.

Building—Continued industrial expansion in 1960 made for greater activity in the building industry. Although house construction increased by a few per cent, the real rise took place in the commercial and industrial fields where a 30 per cent jump was recorded.

Agricultural Production

Agricultural development was particularly favourable in 1960. Except for meat, all agricultural commodities showed increases.

Total crop production was over 35 per cent higher than in 1959 and prolonged rain in the summer did not impair quality. Finland's self-sufficiency in grains continued to improve—almost 75 per cent of the cereals required were produced locally. Despite this, quantities of hard wheat had to be imported; most of it came from the Soviet Union and the rest from Canada. Dairy production also rose.

Foreign Trade

Finland's foreign trade increased considerably in 1960 and was dominated again by her three big trading partners — the United Kingdom, West Germany, and the Soviet Union. Imports totalled 339.7 billion Finnmarks, an increase of 27 per cent over 1959; exports reached 316.5 billion, an increase of 18 per cent. Table I shows the structure of imports and exports, January-November 1960 and 1959, and the importance to Finland of the forest products industries is apparent.

Table II shows the direction of Finnish trade in 1960.

Imports from the Soviet Bloc during 1960 fell from 24 to 20.7 per cent of Finland's total purchases, while imports from EFTA and EEC rose to 33.5 and 34.4 per cent respectively. Exports to EFTA and EEC rose by 32 and 26 per cent, respectively, while exports to the Soviet Bloc and the United States remained the same. Trade with all the countries of the EEC, EFTA, North America, and practically all other western countries, is on a multilateral basis and over 80 per cent of Finland's imports from these countries are now liberalized. Trade with Communist Bloc countries is on a bilateral basis. As the accompanying table shows, over 70 per cent of this is carried on with the Soviet Union and therefore the annual trade agreements with that country are important. The 1961 agreement signed last September contained no significant changes from previous ones, except that allocations for imports of oil and motor cars were increased.

TABLE I

FINNISH IMPORTS AND EXPORTS, JANUARY-NOVEMBER 1959-1960

	1960 per cent increase over 1959	Per cent of total 1959	1960
Imports			
Raw materials	25	50.5	48.7
Capital goods	41	25.4	27.6
Consumer goods	32	13.9	14.1
Fuel and lubricants	22	10.2	9.6
All imports	30	100.0	100.0
Exports			
Paper industry products	14	43.4	42.2
Wood industry products	32	24.0	26.9
Round timber	27	6.3	6.8
Metal-using industry products		16.8	14.4
Agricultural products	12	5.3	5.0
Others	32	4.2	4.7
All exports	18	100.0	100.0

TABLE II

FINNISH FOREIGN TRADE, 1960

	Imports (billions of Fmks.)	Imports (per cent of total)	Exports (billions of Fmks.)	Exports (per cent of total)	Balance of Trade (billions of Fmks.)
The Seven	113.9	33.5	110.5	34.9	— 3.4
United Kingdom	53.9	15.9	77.6	24.5	23.7
Sweden	35.2	10.3	15.3	4.8	—19.9
Denmark	8.8	2.6	11.0	3.5	2.2
Switzerland	7.6	2.2	1.8	0.6	— 5.8
Norway	5.1	1.5	4.0	1.3	— 1.1
Austria	2.7	0.8	0.5	0.1	— 2.2
Portugal	0.6	0.2	0.3	0.1	— 0.3
The Six	117.0	34.4	89.0	28.1	—28.0
West Germany	65.7	19.3	36.6	11.6	—29.1
France	19.5	5.7	14.9	4.7	— 4.6
Netherlands	15.7	4.6	19.2	6.1	3.5
Belgium-Luxembourg	10.4	3.1	11.6	3.6	1.2
Italy	5.7	1.7	6.7	2.1	1.0
Communist Bloc	70.0	20.7	61.8	19.5	— 8.2
Soviet Union	50.0	14.7	45.0	14.2	— 5.0
Other countries	38.8	11.4	55.2	17.5	16.4
United States	19.5	5.7	15.8	5.0	— 3.7
Total	339.7	100.0	316.5	100.0	23.2

Finland Joins EFTA

One of the biggest events of the year was Finland's decision to associate with EFTA. Many persons here had been acutely aware of the necessity of maintaining connection with the economic groupings taking place in Western Europe and although adjustment became necessary for many enterprises, there was general relief when the decision to associate was finally taken. The biggest obstacle was Finland's special position with the Sovie[t] Union. Soviet demands for con[tinued] most-favoured-nation treat[ment] were finally met by a[n] agreement that provided for tarif[f] reductions between the two coun[tries] parallel to those Finland ha[d] contracted with EFTA. Thus, b[y] January 1, 1970, when the EFT[A] agreement is finally fulfilled, cus[toms] duties between the U.S.S.R and Finland will also have bee[n] eliminated.

Canadian-Finnish trade, althoug[h] modest, has reflected through it[s] slow steady growth over the pas[t]

TABLE III

CANADIAN EXPORTS TO FINLAND

	(in Can.$'000)	
	1959	1960
Total	2,738.6	4,355.0
of which:		
Wheat, except seed, n.o.p.	1,206.5	1,310.4
Copper ingots, bars, billets		1,169.3
Plastic materials, synthetic rubber, drugs and chemicals, n.o.p.	319.0	258.3
Saws, power operated, and parts	347.8	256.3
Paper/pulp-mill machinery	16.3	215.5
Bookkeeping and calculating machines and parts	50.8	180.7
Engines (marine) and parts	122.0	160.1
Wood pulp, sulphate, kraft, unbleached	92.1	125.0
Engines (aircraft) and parts	72.0	100.4
Medicinal preparations	144.0	77.7
Sparkplugs	38.8	58.9
Synthetic fibre thread and yarn		57.7

ew years Finland's increasing prosperity. The most spectacular gains took place last year as Canadian exports to Finland reached $4.36 million, an increase of 57 per cent over 1959. Imports from Finland rose to $1.05 million, an 11 per cent gain. Table III gives a breakdown of Canadian exports to Finland for 1959 and 1960.

Opportunities for Canadians

There is room for modest growth . Canadian sales to Finland in a number of fields. Since Finland has just associated with EFTA, it is too early to comment on the effects of this association on Canadian exports. It appears that about 75 per cent of Canadian products already enter duty-free or are commodities outside the agreement and will not suffer from discrimination. The other 25 per cent will eventually face tariff disadvantages compared with EFTA countries and the Soviet Union of up to 15 per cent. Other obstacles seem for the moment to be more serious.

Among the biggest of these is the limited size and wealth of the Finnish market, the similarity of the two countries' industrial structure, the dominant position of West European suppliers, and the bilateral trade agreement with the Soviet Union and other Communist Bloc countries. The Soviet, because of its trade agreement with Finland, is virtually guaranteed a market for certain products. Many of these are commodities for which Canada is a natural source of supply. One can cite wheat, asbestos, and aluminum, among others. Certain other commodities that normally play a major role in Canadian exports (such as pulp, paper, and lumber) have no significant place in our sales to Finland because of the large domestic industry. Imports of mass-produced consumer goods come principally from Finland's European suppliers, especially the United Kingdom and West Germany; it is unlikely that Canada can compete on a price basis with these two.

There are still considerable areas, however, where progress can be made. Apart from a few large concentrations such as wheat and copper, our sales to Finland cover a fairly wide variety of industrial products including machinery, equipment, and semi-processed chemicals and pharmaceuticals. We have successfully marketed chain saws, equipment for the pulp and paper industry, and marine and aircraft engines. Sales of various chemicals, including raw plastics, have been good. These commodities are ones in which Canada has special experience to offer and for which there are production gaps in Finland because of its relatively small industrial base. Canadian firms producing machinery and chemicals for use in forest products industries and under subarctic conditions should search the Finnish market for needs they could fill. By aiming efforts in this direction rather than trying to compete in conventional mass-produced commodities, Canada might benefit even more fully from Finland's new prosperity. ●

Denmark

Danish exports rose 6 per cent last year but imports increased 12 per cent and foreign exchange reserves shrank. Canadian exports, which decreased slightly in 1960, face keen competition, especially from Britain, West Germany, and the United States.

K. NYENHUIS, *Commercial Counsellor, Copenhagen.*

THE prosperity enjoyed by a number of West European countries contributed to the high level of economic activity in Denmark in 1960. Investment, particularly in the building industry, showed a marked increase and though almost full employment limited expansion, industrial production rose by approximately 4 per cent.

Retail sales rose about 8 per cent above 1959 and a rise of just over 13 per cent in industrial exports brought the value of all Danish exports to over 10 billion D.Kr.,* an increase of about 6 per cent. Imports, however, expanded by as much as 12 per cent to approximately 12.4 billion D.Kr., mainly because of larger purchases of raw materials, semi-manufactured products, fuel and machinery.

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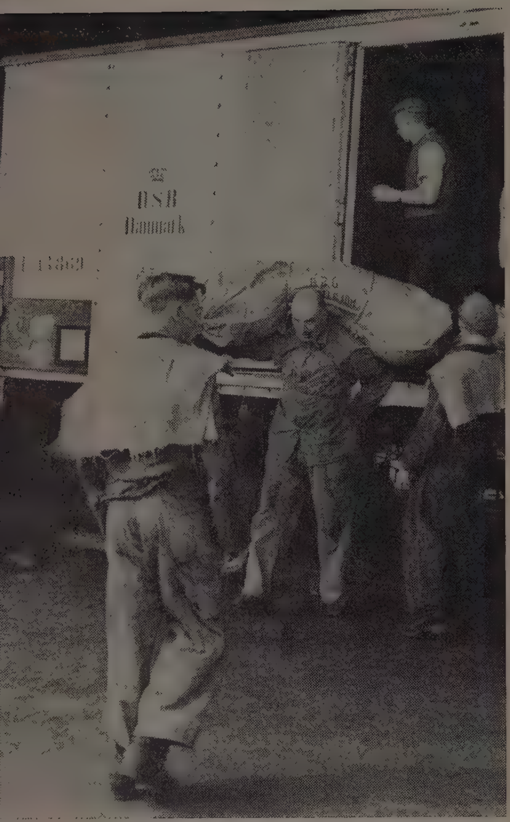
*Can.$1.00=approx. 7.02 D.Kr.



—UN Photo.

Danish bacon, an important export, is unloaded from a dockside freight train at the port of Esjberg for shipment, possibly, to an EFTA partner—the U.K.

The growth in imports lowered foreign exchange reserves and although invisible foreign currency earnings (freights, tourist trade) during the first three quarters of the year moved up, they were not sufficient to close the gap; the net foreign currency balances of the National Bank and commercial banks declined in 1960. A government loan contracted abroad towards the end of the year, however, helped to strengthen the foreign currency position. In addition, a bill was tabled in the Danish Parliament recently which, if enacted, will grant the Minister of Finance authority to raise further loans abroad up to the equivalent of 200 million D.Kr.

Wages last year were 7 to 8 per cent higher than in 1959 and are still rising, but direct taxes have decreased. The greater purchasing power may well lead to larger imports and to a further drain on foreign exchange reserves. It is reported that a 4 to 5 per cent sales tax on all consumer products, payable at the retail level, has been planned and will come into effect later this year.

Import Liberalization

The import liberalization measures that became effective on March 1, 1960, decreased from 64 to 13 per cent the volume of domestic production covered by quantitative restrictions on imports of similar products. At the same time, however, Danish customs tariffs were revised. The tariff rates applicable to finished products in particular were increased in preparation for Danish adherence to the European Free Trade Association Convention. Nevertheless, although the 12 per cent increase in the value of last year's imports resulted largely from bigger imports of raw materials, semi-manufactured products, etc., the import liberalization also led to greater imports of products previously on the restricted lists. Imports of fisheries products from Canada, for instance, rose in 1960 by nearly 118 per cent over 1959 and were valued at Can.$94,250.

European Markets

The three most important economic events in Denmark—i.e., the revision of the customs tariff, the import liberalization measures, and accession to the EFTA Convention—have not significantly changed the trade pattern. Indeed, although Danish imports from EFTA countries in 1959 exceeded imports from EEC countries, the position in 1960 (despite the preferential tarif rates granted imports from EFTA) was reversed and Danish imports from the Common Market countries exceeded those from its EFTA partners. Danish exports to EFTA countries, however, increased in 1960 significantly but sales to the Common Market countries fell off as indicated in Table I.

TABLE I

DANISH FOREIGN TRADE

	1959	1960
	(in million D.Kr.)	
With EFTA countries		
Imports from	4,177	4,481
Exports to	3,854	4,305
With EEC countries		
Imports from	4,166	4,886
Exports to	2,889	2,838

The United Kingdom and Wes Germany are the two principa markets for Danish agricultura products. The value of Danish agricultural exports to the United Kingdom last year reached 2,248.7 million D.Kr., and to West Germany 1,337.6 million. Danish imports from the United Kingdom in 1960 totalled 1,820.2 million D.Kr. and from West Germany 2,725.1 million. Bearing those figures in mind, Denmark's intention to join the Common Market in the event that the United Kingdom decides to do so is readily understood.

Canada's Trade with Denmark

Canadian exports to Denmark last year did not keep pace with the increase in Danish imports. Although our exports of tobacco fisheries products, bookkeeping and calculating machines, ball bearings copper in rods, strips and sheets sparkplugs, acids, etc., increased our exports of wheat, flaxseed skimmed milk powder, commercia fishing nets and twine, lead in pig and refined lead, drugs and chemicals, scientific apparatus and gun and rifle cartridges decreased. The net result was that the total value of our direct exports to Denmark last year reached Can.$5.0 million as against Can.$5.4 million in 1959. It should be noted, however, that Denmark also purchase some Canadian products—particularly skimmed milk powder, grain and grain products, and raw minerals—via other countries. The official Danish import statistics show the total c.i.f. value of commoditie originating in Canada as 44.9 million D.Kr. ($6.4 million). Converting this amount to f.o.b. Canadian

TABLE II

INCREASES IN EXPORTS TO DENMARK 1960

Commodity	1959	1960
	(in Canadian dollars)	
Barley		435,342
Maple sugar	39,596	42,566
Burley tobacco	1,275	69,003
Bright flue cured tobacco	6,297	37,596
Sea grasses and sea plants		55,486
Fisheries products	8,002	94,250
Buttermilk powder	31,710	61,242
Milk preparations n.o.p.		32,975
Animal products n.o.p.		34,888
Hemlock lumber	11,940	34,894
Bookkeeping & calculating machines	179,298	338,349
Roller ball bearings and parts	2,452	41,283
Copper rods, strips and sheets		261,553
Sparkplugs	42,184	68,340
Asbestos milled fibres 4, 5		777,853
Acids n.o.p.	37,066	129,455
Medicinal preparations	114,715	145,000
Plastic synthetic rubber not sh. n.o.p.		548,816

TABLE III

DECREASES IN EXPORTS TO DENMARK 1960

Commodity	1959	1960
	(in Canadian dollars)	
Wheat	342,613	62,244
Whisky	55,535	50,889
Flaxseed n.o.p.	148,274	108,000
Skimmed milk powder	1,377,455	409,420
Commercial fishing nets and twine	348,124	248,871
Douglas fir lumber	36,860	1,347
Ferro silicon	17,450	
Aircraft engines and parts	205,124	200,992
New passenger autos	137,061	124,013
Automobile parts	61,417	32,588
Lead in pigs and refined lead	169,781	
Zinc spelter	84,176	78,508
Radio wireless apparatus	49,868	15,498
Asbestos milled fibres	1,028,616	
Asbestos shorts, Groups 6-7-8-9	124,040	95,270
Drugs and chemicals	500,478	42,834
Scientific apparatus	28,292	1,155
Gun and rifle cartridges	25,000	

TABLE IV

SOME DANISH IMPORTS FROM CANADA AND FROM THE UNITED STATES

(official Danish statistics)

Commodity	Canada 1960	U.S. 1960
	(million D.Kr.)	
Grain and grain products	7.2	303.3
Fruits and vegetables	.002	35.8
Feedstuffs	0.1	55.0
Oilseeds and nuts	0.7	151.9
Untreated caoutchouc	4.0	8.7
Wood, lumber, cork	0.1	5.2
Chemical raw materials and compounds	0.8	24.9
Paints and tanning materials	.013	5.2
Pharmaceutical preparations	1.2	14.0
Other chemical products	1.2	41.0
Treated leather and skins	.007	5.9
Paper, cardboard	.011	11.2
Textiles, other than wearing apparel	2.1	14.4
Wearing apparel	.040	5.7
Non-precious metals	3.3	10.5
Non-electrical machines	2.8	103.6
Electrical machinery	0.2	46.2
Scientific instruments, etc.	0.1	14.8

Total Danish imports from Canada 1960 44.9 million D.Kr.

Total Danish imports from United States, 1960 1,219.8 million D.Kr.

prices, the estimated actual value of Canadian goods imported into Denmark last year was 38.2 million D.Kr., or Can.$5.4 million, using the rate Can.$1 equals 7 D.Kr.

Table II shows some of the Canadian export gains for last year.

Although Table II reflects satisfactory increases, Table III shows an adverse situation.

Denmark, with a population of approximately 4.5 million, has a fairly high standard of living. Local industries are comparatively small but well developed and the emphasis is on quality products. Manufacturers depend to a considerable extent on imports of raw materials and semi-manufactured goods. The proximity of the United Kingdom, West Germany and Sweden, Denmark's three largest trading partners, which makes fast deliveries, small freight costs, and easy personal contacts possible, presents Canadian firms with obvious competitive difficulties. Canadian exporters, however, are on an equal footing in the Danish market with United States exporters, who appear to have exploited the market potential much more thoroughly, as Table IV shows.

Methods of Doing Business

Denmark's import business is largely conducted through commission agents; the number of agents representing manufacturers from many countries is very large and there is keen competition among them. It is important that, initially, prices be quoted c.i.f. Copenhagen as much as possible. Payments to Canadian exporters normally are effected on sight draft or by cash against documents. In the early stages of business relations and where no major Danish companies are concerned, payment by letter of credit is advisable and is generally accepted. Normally, however, demand for payment by letter of credit will almost certainly discourage business, as Danish importers often are granted up to 60 and 90 days' credit by their European suppliers. Except for a few commodities, there are no Danish consular requirements covering Canadian exports; Canadian exporters should provide Danish importers with commercial invoices and ocean bills of lading in duplicate at least, as well as insurance certificates.

The value of personal contacts cannot be over-emphasized and Canadian exporters visiting the United Kingdom or the Continent

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may find it well worthwhile to include Denmark in their itinerary. Copenhagen is only three flight hours from London and Paris and just over an hour from Hamburg. Hotel accommodation can be obtained without too much difficulty, except during the summer season May-August/September. The price of rooms is reasonable, ranging from about Can.$6. to about Can.$12. per day for a room with bath. From Copenhagen, a visitor can reach Stockholm and Oslo in under two hours.

The office of the Commercial Counsellor in Copenhagen will be glad to assist Canadian exporters in finding suitable agents, in planning a visit to this country, and in arranging appointments. When businessmen wish help of this type, however, they should notify the Commercial Counsellor well before they leave Canada, giving dates of arrival and length of stay. They will find that the Danish market is highly competitive and only Canadian products in the right price range can hope to enjoy some success. ■

— ★ indicates Trade Commissioner Service office

Republic of Ireland

New factories, new products, and new techniques are changing the face of Ireland's economy; imports of raw or semi-processed goods are increasing but Canadians face selling problems.

W. R. VAN, *Commercial Secretary, Dublin.*

PROGRESS and achievement—these few words reflect the buoyant conditions to be found in the Republic during 1960 and on into 1961. The all-important agricultural sector and the up-and-coming industrial sector, each on its own initiative and without external aid of any kind, are being consolidated and streamlined. Much needs to be done but development in both spheres appears to be sound.

The balance-of-payments position improved last year, with an estimated deficit of only £0.8 million; however, taking the four years 1957-1960 together, external payments were roughly in balance. Increased economic activity during 1960 resulted in record exports and imports. Exports at £152.3 million increased by £21.7 million over the previous year; imports rose by £13.7 million to an all-time high of £226.4 million. Terms of trade were not too favourable, although not critical; export prices decreased slightly and import prices rose fractionally. The result was a deficit on merchandise trade in 1960 £4.2 million larger than it would have been had 1959 prices remained constant. Increased output was achieved primarily through greater productivity; total employment remained the same. Emigration tended to decline during the latter half of the year.

National income, gross national product, personal expenditure and fixed capital formation showed appreciable advances during the year. National income in current terms rose from £502 to £528 million, an increase of 5 per cent over the previous year. Gross national product at constant prices hit £552 million, a 4 per cent advance over 1959 and the highest level yet attained. (This 4 per cent was double the rate envisioned in the Program for Economic Expansion; even under the favourable conditions of the early 1950's, real national income rose by little more than 1 per cent a year.) Personal expenditure at constant prices increased by about £18 million or 4½ per cent, compared with an increase of less than 1 per cent dur-

ıg the previous year. Fixed capital ›rmation at current prices was stimated at £92 million, £7 million more than in the preceding ear.

ndustrial Growth

The growth and diversification of ıdustry is the most striking development in Ireland today. It is most vident in the widening range of xports and the strenuous efforts eing made to find a foothold in orld markets. A few years ago, ıere were only a few industries of onsequence and they mainly served ıe small home market. Now new ıdustries are mushrooming all over ıe country—and they are being stablished chiefly for export. The overnment has opened its doors to pproved foreign investment and ith generous incentives and guarıtees has attracted a diversity of dustries from many countries, inıuding West Germany, the United ingdom, the Netherlands, the nited States, and even as far away Japan. Many established industies are playing a vital part. By reamlining production and modrnizing equipment, it was they who counted mainly for the larger dustrial exports of 1960. The ıpact of the many new industries tablished with foreign capital will ıly really begin to be felt during 961.

During 1960, 45 new industrial ıdertakings or extensions to existıg plants began operations. Thirty the new industries were formed th external participation. The gregate capital investment aproximated £8 million, with an ıployment potential of between 000 to 7,000. At the end of 1960, additional factories with a total pital of roughly £13 million re in process of construction. ınouncements of additional plants ve been made this year.

The accompanying brief list will ve an idea of the wide diversity the newly established industries her in production now or soon be.

Canadian Face These Problems in the Irish Market . . .

- Inability to compete in most lines of manufactured goods, especially against suppliers in the United Kingdom, the Republic's chief trading partner.
- Protection given certain local industries such as foodstuffs, electrical goods, radio, television, etc.
- Resistance of buyers to carrying large stocks.
- Tendency of newly established, foreign-financed industries to obtain machinery and materials, where possible, from their own countries.
- The limited size of the market—only 2.8 million people.
- Lack of knowledge of the revolutionary advances being made in Ireland and of the fact that, in marketing, Ireland must be treated as a separate entity, distinct from the United Kingdom.
- Absence of personal contacts.

New Irish Industries Will Produce

Petroleum products
Cranes
Knitwear
Veneers
Greeting cards
Bubble gum
Brake and clutch linings
Rotary cultivators
Plastic waterpipes
Cosmetics
Chipboard
Paper articles
Cutlery
Pianos
Electric organs
Textile-marking machinery
Industrial floor-cleaning equipment
Textiles
Costume jewellery
Transistor radios
Mechanical handling equipment
Oil-heating equipment
Metal tubes
Metal wire
Fibreglass cars
Pharmaceuticals
Ships
Foodstuffs

Agriculture Disappointing

Despite the stimulating advances made in industry, agriculture remains the most important single factor in the Irish economy. It employs nearly 50 per cent of a total labour force of just over one million, accounts for about 25 per cent of the national income and roughly 65 per cent of total exports, and supplies the main raw materials for many industries.

Unfortunately, largely because of the whims of nature, its effect on the economy varies considerably from year to year. In the main, 1960 was a disappointing year. Bad weather meant a smaller output of cereals and turf, the quality of root crops was below average, and beet lacked adequate sugar content. On the other hand, wet weather provided an abundance of grass and this led to an increase in milk production and general good

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pasturage. A tremendous increase in fat (for slaughter) cattle exports improved the situation greatly.

Because exports of agricultural products continue to be so important, the farmer receives many types of assistance to enable him to produce more standard products of acceptable quality. Extremely interesting is the setting up in Ireland of the world's first accelerated freeze-drying food processing equipment. Once this equipment is in full production, the farmer is expected to have a guaranteed outlet for his produce the year round. All foodstuffs processed by this new method are for export.

Exports Thrive

Despite slightly unfavourable terms of trade, exports rose by 17 per cent to a record £152.3 million. Of the increase, approximately one third was accounted for by manufactured goods (excluding food, drink, and tobacco), one third by foodstuffs, and one quarter by live animals. Not since 1957, itself a record year, have all these categories increased simultaneously. The accompanying table indicates the extent of the increase for each of the main divisions of trade, comparing 1960 with the previous year.

PRINCIPAL EXPORTS

	1959	1960	Increase
	(in £'000)		(per cent)
Live animals	39,157	44,754	14
Food	36,695	43,833	19
Drink and tobacco	6,898	7,360	7
Manufactured goods	25,041	32,544	30
Raw materials	10,403	11,047	6

The growth in exports of manufactured goods (excluding foodstuffs, drink, and tobacco) is of prime significance; during 1960 they achieved an all-time high of £32 million. In 1951 these exports totalled only £7.7 million. The rise since then has been fairly steady, with the second greatest increase (£25 million) in 1959.

The United Kingdom (including Northern Ireland) is Ireland's best customer. Ireland's major trading partners are listed in the accompanying table.

IRELAND'S PRINCIPAL MARKETS

	1959	1960
	(in £'000)	
Britain and Northern Ireland	96.4	112.6
Dollar countries	13.2	14.1
European Economic Community	6.2	8.7
European Free Trade Area (excl. Britain and Northern Ireland)	1.6	1.9
Other areas	5.9	7.0

The gain in trade with the dollar area during 1960 resulted mainly from larger shipments of frozen boneless beef, especially to the United States.

Although import totals tend to vary from year to year depending on local crop production (especially wheat), the need for imports of machinery and raw or semi-manufactured goods is growing steadily because of increased industrialization. The rise in imports in 1960 centered almost entirely around materials for further production; these went up by £11.1 million to £145.2 million. Goods ready for use increased by only £1.4 million to £46.4 million.

Trade with Canada

Trade between Canada and Ireland continues to be in Canada's favour. The gap, however, is tending to narrow, as the accompanying table shows.

FOREIGN TRADE, CANADA-IRELAND

	1957	1958	1959	1960
	(thousands of £)			
Imports into Ireland, c.i.f.	3.7	5.9	5.6	4.7
Exports to Canada, f.o.b.	.8	.8	1.3	1.2

Source: Central Statistics Office, Dublin.

The fall in Canada's exports to Ireland during 1960 was the direct result of a good local wheat crop. Because of a virtual crop failure i[n] 1960, our exports for 1961 shoul[d] increase substantially. Apart fro[m] the bulk of our trade—which includes such commodities as whea[t], seeds (grass and clover), aluminu[m] (ingots), lumber, newsprint, ra[w] hides, and chemicals (synthetic rubber)—there are over 140 othe[r] products of lesser value. Canadia[n] businessmen would be well advise[d] to study the DBS statistics. Canad[a] with the United Kingdom, benefi[ts] from trade agreements which plac[e] her in a preferred position on certain products tariffwise. Greater industrialization and improved agricultural conditions should also, i[n] the long run, mean a higher standard of living in Ireland and a mor[e] attractive market.

Prospects for 1961

Although conditions in 196[1] appear good and likely to continu[e] that way, there is nevertheless an ai[r] of uncertainty. The Four Year Pla[n] for Economic Expansion is now i[n] its third year and has yielded result[s] beyond initial expectations. It i[s] anticipated that another Four Yea[r] Plan will be put into effect whe[n] the current one terminates. Irelan[d] has continued to remain aloof fro[m] both the EFTA and the EEC an[d] has until recently expressed th[e] opinion that membership in eithe[r] group would not be to her advantage. The atmosphere has no[w] changed, influenced especially b[y] the fact that her chief trading partner, the United Kingdom, is showing signs of possible membership i[n] the Common Market. The Nationa[l] Farmers' Association has advocate[d] immediate membership; the industrial sector has urged caution. Should the United Kingdom join then Ireland would do so too; i[n] fact, it is possible she might no[t] wait for Britain. Such a move woul[d] naturally mean a period of adjustment during which the present protectionist tariffs and quotas woul[d] gradually have to be dismantled.

— ★ indicates Trade Commissioner Service office

The Netherlands

The Dutch market for consumer goods and raw materials and components is growing and diversifying in step with the new prosperity. The author points to some of these opportunities, but warns that competition from the Netherlands' EEC partners must be met with vigorous sales promotion.

. C. BRITTON, *Commercial Counsellor, The Hague.*

THE Netherlands economy has continued its upward course in 1961, with business at a peak in most sectors. The country has maintained a balance between prices and wages, despite the rapid increase in production that took place in the first half of 1960. There is full employment, a favourable balance of payments, and a record foreign trade.

The economic picture in 1960 was variously described as "satisfactory" and "too good to be true" but in any event, since the end of the Second World War the economic outlook has never been so favourable. Membership in the European Economic Community, to which the Dutch economy is geared, has contributed a great deal to Dutch prosperity but the country also exports goods and services to many markets other than the Six. The demand for Dutch products and services remains strong and this, coupled with brisk domestic demand, has brought about maximum use of productive capacity and labour forces. There are evidences, in fact, that Dutch productive capacity has reached a peak. The record pace of business has brought a substantial rise in Dutch imports and Canadian exporters have an opportunity of participating in this increased trade.

Foreign Trade Up

Current prosperity in the Netherlands is reflected in the sharp increase in foreign trade, up 13 per cent in 1960. Imports and exports both increased, with exports for 1960 totalling $4 billion ($3.6 billion in 1959) and imports $4.5 billion ($3.9 billion in 1959). Exports rose 12 per cent in value and 14 per cent in volume; imports rose 15 per cent in value and slightly less in volume.

West Germany was again the Netherlands' best customer, taking 22.5 per cent of her exports. Belgium/Luxembourg was second with 14.5 per cent, followed by the United Kingdom with 11 per cent, France 5.9, Italy 3.2, and the United States and Canada combined, 5.5 per cent. During 1960, 46 per cent of Netherlands exports were consigned to countries in the Common Market, compared with 44.5 per cent in 1959. Dutch exports to EFTA countries constituted 24 per cent of total exports.

Imports Reach Record

Imports into the Netherlands from its EEC partners comprised 46 per cent of total imports in 1960, compared with 45 per cent in 1959. West Germany was the leading supplier with 21.5 per cent of the total, followed by Belgium/Luxembourg 18.5 per cent, the

U.K. 7 per cent, France 3.8, and Italy 2.1. About 14 per cent of imports were supplied by the United States and Canada combined. Imports from EFTA countries made up 13.3 per cent of the total. This high level of foreign trade last year has continued into 1961. There were, in fact, increases in both imports ($1.25 million) and exports ($1.04 million) in the first three months of 1961.

A Competitive Market

The demand for raw materials, components, capital goods and equipment in the Netherlands is expanding steadily. As productive capacity increases (the index of industrial production, exclusive of the building trade, was 157 in 1960 compared with 139 in 1959; basis 1953=100), consumer expenditure mounts (up 6 per cent in 1960 over the previous year), and the demand for foodstuffs and consumer durables rises. The prosperity in the Common Market, pronounced in Holland as elsewhere, has had a magnetic attraction for exporters all over the world. Buyers in the Netherlands are offered a wide choice for most of their raw material and other requirements and with traditional Dutch sagacity they are purchasing on the best possible terms and at the lowest possible prices. Overseas exporters of many lines are supplying from stocks in the Netherlands or adjacent countries. The competition on most manufactured goods from Holland's EEC partners is particularly severe, because orders can be placed by phone and delivery made within days; large inventories are no longer in evidence.

The first stage toward the EEC common external tariff, effective last January, has intensified competition for Canadian and other shippers to the Netherlands. At that time tariffs on many industrial products were increased by 30 per cent of the difference between the original Dutch tariff and the ultimate common external tariff minus 20 per cent.

Canadians Pay Visits

The number of Canadian exporters visiting the Netherlands this year has risen sharply and is now at an all-time high. The Export Trade Promotion Conference in Ottawa last December, coupled with the boom in the Netherlands and elsewhere in Europe, has prompted Canadian exporters to take a first-hand look at the Dutch market. A number of agency arrangements have been concluded and others are pending; direct sales have resulted in some cases from the visits. Canadian businessmen visiting the Netherlands are invariably well received by Dutch buyers and provided price, quality, delivery and terms are competitive, personal contacts with buyers can result in orders. It is necessary to emphasize again the competitive nature of the Dutch market and to repeat that price is the most important yardstick governing sales. The revaluation of the Dutch guilder by almost 5 per cent, which took place in March, may assist in developing sales of some Canadian consumer products. However, Canadian prices on many consumer products are on the high side and Dutch department-store and specialty-shop buyers prefer to purchase from suppliers in adjacent markets. As the standard of living in the Netherlands rises, the demand for quality merchandise grows. Progress in this direction has been gradual in the Netherlands, but there is evidence that the consumer wants more modern, attractive, labour-saving appliances, household and novelty articles and, to a lesser extent, clothing and department-store goods of all types.

Sales Prospects

Canada, as far as Dutch buyers are concerned, is regarded primarily as a competitive source of supply for raw materials such as those listed in the accompanying table. According to market surveys following the Export Trade Promotion Conference, prospects appear to be good for additional sales of Canadian pulp, lumber, oilseeds, hides

Production increases in the Netherlands, bringing new prosperity; here potatoes are gathered in the North East Polder of the Zuiderzee, an area transformed from mudflats into a well-equipped agricultural district by Dutch soil reclamation.

—UN Photo.

DUTCH IMPORTS FROM CANADA

	1959	1960	Change
	(in millions of guilders*)		
Total	127	139	+12
of which:			
Dairy products and meat	4.3	.8	− 3.5
Grain and products	52.1	49.8	− 2.3
Oilseeds (excluding soybeans and ground nuts)	15.4	12.2	− 3.2
Tobacco	.8	1.7	+ .9
Hides and skins	.7	3	+ 2.3
Wood and wood products	8	14.7	+ 6.7
Minerals (mainly asbestos)	5.6	7.9	+ 2.3
Iron ore	5	5.7	+ .7
Chemicals, pharmaceuticals and cosmetics	4	4.8	+ .8
Rolling mill products	.3	6.1	+ 5.8
Aluminum	2.5	4	+ 1.5
Office machines	1.3	1.8	+ .5
Electric apparatus	10.1	10	− .1

* At December 30, 1960, Can. $1.00=3.78 guilders.

and skins, animal offals and fats, leather uppers and leather scrap, some types of women's clothing, papermakers' felts, washing machines and refrigerators, sulphur and phosphates. Department and specialty-store buyers, like their counterparts elsewhere, are always interested in new and attractive lines. Dutch firms in manufacturing, wholesale and retail trade are always prepared to discuss royalty and licensing arrangements for potentially profitable lines and businessmen here will always consider arrangements involving financial participation by Canadian manufacturers covering the distribution or sale of Canadian-manufactured products or services at the retail level. The business boom in the Netherlands should create markets for a selective range of Canadian consumer goods. The market is competitive and, as a result, continuous trade promotion and sales efforts are required to establish products never before sold in the country. ●

Belgium—Luxembourg

Exports achieved record high last year, but sharper rise in imports increased trade deficit. Early months of '61 have brought recovery from last year's serious economic difficulties, but country's rate of growth lags behind that of its EEC partners.

A. A. LOMAS, *Assistant Commercial Secretary, Brussels.*

DESPITE a series of unfortunate events in the second half of 1960, the Belgian economy held its own last year and in the first months of 1961 has shown a remarkable resiliency that points toward new gains. This will be a critical year, however, because the pace of economic development must be speeded up considerably to keep Belgium in step with its partners in the European Economic Community.

Two Longstanding Problems

It is only recently that forecasts of Belgium's economic progress have become more optimistic, as the country has been plagued by several longstanding problems that were sharply emphasized by last year's special difficulties. Foremost among these has been the question of public finance. For years the Government has relied heavily on the capital market to finance not only its capital projects but also an increasing share of its current operations. In consequence, the public debt and its attendant servicing charges have increased steadily since the war and this has resulted in a somewhat strained financial situation, with adverse effects on private investment. A more tangible problem exists in the coal industry where, under pressure from the European Coal and Steel Community, Belgium has been closing marginal pits to achieve a better balance between production and consumption and to rationalize coal costs as a means of reducing the price of electric power. This has led to widespread unemployment in coal-mining centres and has required costly programs for relocating miners and attracting new industries to the affected areas.

The Congo and the Strikes

Belgium's recent difficulties began with the loss of the Congo—perhaps less because of the independence of that country than the consequent violence and confusion by which its ties with Belgium were cut. Although this had serious economic repercussions, it came more as a severe emotional blow to all Belgians and led to much critical national reappraisal. Partly to compensate for the loss of Congo revenues and markets and partly to create a more favourable climate for economic development, the Government introduced late in 1960 its omnibus "loi unique". This bill included new taxes and cuts in social services that many felt weighed too heavily on the working classes. At the turn of the year, Belgium was gripped by widespread strikes accompanied by some violence, which disrupted industrial activity for several weeks.

Although the midwinter outlook was bleak, when the 1960 year-end reports began to appear it was realized that the economy had weathered some severe storms and that, although results were not as favourable as in other Common Market countries, there were grounds for cautious optimism. A national election in March resulted in a new coalition government which has strengthened this optimism.

Growth Rate Lags

In reviewing current business conditions, it must be remembered

Belgian Purchases from Canada . . .

- Reached $69.1 million in value last year, compared with $56.2 million in 1959.
- Consist largely of raw or semi-fabricated materials or food; these groups made up 87 per cent of the total.
- Are costing more, relatively, as new EEC tariffs make imports from the other Common Market countries cheaper.
- May increase if Canadians can offer new and different food products within the next few months.
- Will expand only if Canadians market competitively priced products, backing them up with prompt delivery, continuity of supply, adequate promotion, and servicing when necessary.

that Belgium is one of the most highly industrialized countries of Western Europe, with the highest per capita income in the EEC. It is the current rate of economic growth, however, that has caused most concern, because Belgium now lags behind its EEC partners, as the accompanying table shows.

Rate of Growth in 1960 of

	Gross National Product	Industrial Production
	(in per cent)	
West Germany	8	11
France	6	11
Italy	7	15
Netherlands	8	13
Belgium/Luxembourg	4.8	7
EEC AVERAGE	7	12

Source: quarterly reports of the EEC and AGEFI.

Because Belgium emerged from the war with its over-all economy and manufacturing facilities in reasonably good shape, it coasted while other countries, which suffered greater material damage, painfully reconstructed their economies. In the process, these countries gained a momentum in development that promises to carry them beyond Belgium, which is only now coming to grips with its problems.

During 1960, however, most sectors of the Belgian economy registered substantial gains and since the end of the strikes in January recovery has been rapid. In the first months of 1961, industrial activity stood at a high level and new monthly records were established in many fields. Even though coal production was cut back by about two million tons last year, productivity was actually increased by closing down marginal mines. Steel production grew by 11 per cent to a total of 7.1 million tons, and while world steel markets slackened because of larger supplies, demand and prices within the EEC continued firm. Output in the key non-ferrous metals industry increased over 1959 by 9 per cent for raw metals and 20 per cent for semi-finished products. Belgium's glass industry, one of the largest in the world, increased production by 11 per cent and the chemical industry expanded by about 10 per cent. Growth in the construction industry and in the production of some building materials was slower than the average for the economy as a whole, but it is expected that a high general level of prosperity plus new public works projects will give a lift to this sector in 1961.

Although agriculture employs less than 8 per cent of the Belgian working population, it plays an important role in the economy. Last year, despite excessive rainfall, agricultural output gained 8 per cent over 1959. The sugarbeet crop set a new record and production of meat, milk and dairy products showed major gains. Most Belgian farms are small-scale, however, and because the Common Market countries have still to work out and apply a common agricultural policy, the future of Belgian agriculture continues uncertain.

Depends on Export Markets

Lacking most raw materials except coal and with a limited home market, Belgium is largely a processing country heavily dependent on imports of raw materials and exports of semi-finished and finished products. Last year these groups

BLEU TRADE PATTERN IN 1960

Country	Imports from	Change from 1959	Exports to	Change from 1959
	(in per cent)			
West Germany	16.9	+0.6	15.8	+2.5
Netherlands	14.9	−0.9	21.3	+0.1
France	13.6	+1.0	10.4	+1.5
United States	9.9	+0.5	9.5	−3.7
United Kingdom	7.4	−0.9	5.6	−0.3
Congo	6.7	+1.0	1.6	−1.1
Sweden	3.0	+0.2	2.9	+0.2
Italy	2.4	+0.1	3.1	+0.5

ccounted for more than 90 per cent of all exports and exports in turn ccounted for 40 per cent of all ndustrial production. In consequence, Belgium is very sensitive to hanges in world markets and to a arge extent its development during 961 will depend on the pace of conomic recovery in the U.S. and ontinued boom conditions in the ther Common Market countries.

Last year, foreign trade expanded t a faster rate than the rest of he economy. Exports increased by lmost 15 per cent over 1959—rom $3,295 million to a record 3,775 million. Imports increased t the same rate, however—from 3,442 million to $3,957 million—ushing the trade deficit up from 147 million in 1959 to $172 million last year. Both exports and mports achieved new highs in February and March of this year and e Government has recently forecast a 40 per cent increase in foreign rade over the next five years.

For Canada, one of the most gnificant aspects of last year's rade was the extent to which Belium, like the other EEC countries, ontinued to increase its dependence n markets and suppliers within the ommon Market. Thus the other artners purchased 50.6 per cent of elgian exports last year against 6 per cent in 1959 and supplied 7.8 per cent of imports against 7 per cent the year before.

uying Habits Changing

With over-all prosperity, the Belian domestic market is maturing nd buying patterns are changing. onsumer demand for essentials is now levelling off and most of the increased spending power is being shifted to non-essentials.

This trend towards an "affluent society" is accompanied by major changes in the distributive trades. Advertising expenditures are rising rapidly, chain stores, supermarkets and self-service outlets are increasing, and Belgian consumers, who have long enjoyed the advantages of one of the most competitive markets in Europe, are looking for more and better goods at still more competitive prices.

Canadian-Belgian Trade

How do these developments affect our trade with Belgium? In recent years Canadian-Belgian exchanges have been about equally important to the two countries. In 1960 our exports to Belgium* accounted for 1.3 per cent of our total exports and represented about 1.2 per cent of total Belgian imports. These exports, valued at $69.1 million, were 23 per cent higher than the $56.2 million achieved in 1959. Imports from Belgium dropped slightly—from $44.7 million in 1959 to $41.4 million last year. Principal exports to Belgium in the last two years are shown in the accompanying table.

The listed commodities, which make up 87 per cent of Canadian exports to Belgium, are mainly raw or semi-fabricated materials or foods and it is in these groups that most of the increases occurred last year. Exports of more highly manufactured products showed little improvement and even some declines, and there is no indication that this trend will change. It is a hard fact that, in Belgium at least, competition from domestic producers and from other firms within the Six makes it increasingly difficult for Canadian manufacturers to develop worthwhile markets.

The increase in trade among members of the Six has already been mentioned; it went up by 25 per cent last year compared with an increase of 17 per cent in trade with third countries. Most of this increase in intra-Community trade is attributed to the cumulative reduction of

*including Luxembourg.

CANADIAN EXPORTS TO BLEU

	1959	1960	Change 1960 from 1959
	(in millions of dollars)		
Total Exports	56.2	69.1	+12.9
of which:			
Wheat	18.7	19.3	+ 0.6
Nickel	6.3	11.6	+ 5.3
Aluminum	4.1	5.6	+ 1.5
Asbestos	4.3	5.5	+ 1.2
Copper and brass	2.6	3.2	+ 0.6
Lead and zinc	2.5	2.8	+ 0.3
Lumber, pulp and paper	1.2	2.7	+ 1.5
Iron, steel and alloys	0.7	2.3	+ 1.6
Seeds	2.8	2.0	— 0.8
Chemicals, synthetic resins	1.2	2.0	+ 0.8
Aircraft and engines	2.9	1.4	— 1.5
Iron ore	0.6	1.3	+ 0.7
Fish	1.1	1.1	0.0
Other	7.2	8.3	+ 1.1

DISPOSAL OF BELGIAN INCOME

(in billions of francs)

	1959	1960	Per Cent Change
Food	118	119	+ 0.8
Clothing	48	49	+ 2.1
Lodging	36	37	+ 2.8
Heating and furnishings	38	40	+ 5.2
Travel, education, etc.	47	51	+ 8.5
Luxuries and pleasure	53	59	+11.3
Taxes	45	49	+ 8.8
Savings	37	41	+10.8

20 per cent in internal tariffs during 1959 and 1960. For the low-tariff Benelux countries, the new EEC external tariffs are generally higher than their previous rates. The result is that Belgian imports from third countries such as Canada are actually becoming more expensive as products from within the Community become cheaper.

For unfinished materials and agricultural commodities, prospects seem brighter, although there are still some uncertainties for farm products; these will not be resolved until the Six establish their common agricultural policy. Even the traditional Belgian preference for Canadian wheat, however, is under heavy attack by hard-hitting competition from other wheat exporters, and forthcoming EEC decisions about the treatment to be given to products from their ex-colonial areas could affect future Canadian sales of other commodities.

In view of the anticipated continued expansion of most Belgian industries, over-all prospects seem good for sales of Canadian non-ferrous metals, asbestos, iron ore, and sulphate pulps. Canada is only a marginal supplier to Belgium of paper products and lumber, however, and Belgians will only buy these products when and if Canadian c.i.f. prices are competitive with those of Scandinavian suppliers.

Although the market for imported food products is increasing, price competition is becoming more severe; thus the Canadian share of canned salmon imports is decreasing as Japanese sales are growing. Consumer tastes are swinging more and more to packaged and processed foods, but processors in the Common Market have been quick to fill these requirements, often following the lead of European subsidiaries of large U.S. companies. There are sales possibilities, however, for new and different food lines, provided they can be introduced here quickly enough before local firms begin their production. The same is generally true of other manufactured products such as clothing, home and garden equipment, and light machinery. For all products, however, the common denominators must be low prices, adequate quality, new or distinctive features, and a willingness on the part of Canadian manufacturers to support their Belgia[n] agents or distributors with promp[t] delivery, continuity of supply, ser[-]vicing and spare parts where neces[-]sary, and promotion in order t[o] obtain or hold a part of this ex[-]tremely competitive market. ●

France

With industrial production rising rapidly and foreign trade increas[-]ing, with import liberalization continuing and many tariff reduction[s] coming into force, France is becoming a bigger market for Canadia[n] goods—and a place where imaginative and persistent selling pays of[f]

A. G. KNIEWASSER, *Commercial Counsellor, Paris.*

GENERAL de GAULLE'S words of May 8: "Day by day we are witnessing a vast transformation of our country . . . but this is only a beginning in relation to what is possible and, consequently, necessary . . . Peuple Français—En Avant—" are typical of the spirit that now prevails in this country. Major decisions have been taken in the political, financial and economic fields that should permit France to consolidate its achievements over the past two years and to move on to new accomplishments in terms of economic strength and influence. Industrial production and foreig[n] trade are increasing at unprece[-]dented rates and there is a feelin[g] of confidence and vitality in busi[-]ness circles.

New Approach

The sources of present prosperit[y] are essentially political and financia[l] stability, emphasis on developmen[t] and risk-taking, new support fo[r] liberal trade policies and the ad[-]vantage of free competition, and [a] general optimism about the effect[s]

FRANCE'S INDUSTRIAL PRODUCTION

	1959	1960	Per Cent Increas[e]
Industrial production (1952=100)	154	165	7
Crude petroleum production (millions of metric tons)	3.7	11	197
Natural gas production (billions of cubic metres)	2.6	4.5	73
Electricity production (billions of kwh.)	64	71	11
Aluminum production (thousands of metric tons)	173	235	36
Motor vehicle production (thousand units)	1,283	1,369	7
Steel production (millions of metric tons)	15.2	17.2	13
Paper production (thousands of metric tons)	2,336	2,614	12

f EEC arrangements on this ountry. These factors are all interelated and strengthened by proserous conditions in Europe and in he countries that are France's prinipal trading partners. Tariff reducons are proceeding in advance of rance's obligations under the ome Treaty and are being exnded to third countries to levels nvisaged by the EEC common exrnal tariff. The Government and he French Manufacturers' Associaon are encouraging and assisting rench industry to become more roductive, to modernize, and to educe costs. This is revolutionary a country where small businessen accustomed to high prices and w volume have traditionally set he pace in economic affairs. It is, f course, a development which is ssential if France is to maintain nd improve its position in the new urope of the 1960's.

The table on page 30 lists the ey economic indicators over the ast two years.

If You Are Not Already Selling in France . . .

1. Provide Paris office with complete details of your products. Include literature, preferably in French, and export prices c.i.f. Le Havre. Quotations in Canadian or U.S. dollars satisfactory. Request preliminary market survey and distribution suggestions. In your introductory letter, try to put Trade Commissioners in a position to explain applications and advantages of your products.

2. If Trade Commissioners report business prospects, write directly to firms or trade associations suggested, sending copies to Trade Commissioners for follow-up purposes. Forward samples if indicated.

3. Before making firm arrangements, plan a personal visit to France to interview prospective representatives. Advise Trade Commissioners of your plans in advance and request appointments and interpreters, if necessary.

4. Make firm agency or distribution arrangements after personal interviews with prospective candidates and remain here for at least one week to assist new representatives in planning sales campaign. Call on potential customers with new agent.

5. Make sure Trade Commissioners are aware of your sales arrangements. They can be a continuing source of assistance and frequently come across new business possibilities that can be referred to local representative of Canadian firm.

6. Remember to present your company here as "Canadian". Avoid sub-agency deals or servicing of French market from third countries.

lanning Emphasized

An interesting and increasingly nportant feature of French ecoomic life is the "Plan". This is a ries of economic objectives that re worked out every four years and vised annually by a small staff of ading French economists. The bjective is to establish, in cooperation with industry and labour, ttainable targets for all sectors of ie economy. In the course of prearing the Plan, economists consult idustrial and labour associations nd arrange for joint discussions ith key government ministers and fficials. In the process, thousands businessmen and representatives agriculture and labour are made ware of each other's intentions, fficulties and objectives. The Govnment in turn makes an effort to djust monetary and economic polies to facilitate the attainment of iese objectives and to strengthen ctors of the economy in difficulty.

The first plan was established in 945 by Jean Monnet and served to guide France through postwar reconversion. Subsequent objectives have been price stability and EEC integration. The technique is now regarded as an "institution essentielle" and the Government has recently announced its intention to broaden and extend the scope. The plan for 1962-65 (No. 4) is currently being worked out and will be published within the next few months. It is expected that heavy emphasis will be placed on continued economic growth of the order of 6 to 7 per cent a year within a framework of price stability. A high priority will be assigned to measures designed to improve productivity and hence France's competitive position, now that the economy is to be increasingly exposed to world competition.

Foreign Trade Increases

Foreign trade was a key factor in industrial expansion in 1960. Exports increased 22 per cent to NF 33.9 billion and imports 19 per cent

If You Are Already Selling in France . . .

1. Re-examine distribution arrangements. Now that import controls have been largely removed, country-wide sales programs pay dividends. You are missing business if you cover Paris area only.

2. Consider possibility of an advertising campaign. Advertising outlays in France will double over the next ten years as consumption patterns change in favour of branded goods. (See *Foreign Trade* of June 3, 1961.)

3. Appraise flexibility of financing terms offered to established customers. French businessmen are excellent credit risks. Instalment buying is becoming increasingly important.

4. Ensure you are benefitting from favourable transportation rates and delivery schedules. Is air freight a possibility?

5. Ensure that your company and your representatives in France are well known to Canadian Trade Commissioners, banks and transportation companies located here. Are you a member of La Chambre de Commerce France-Canada, which is now forming a special section for Canadian firms? Many useful contacts and new ideas can be developed in association with your Canadian colleagues here.

6. Plan a return trip to France, allowing more time to call on customers and to travel to major industrial areas in the provinces. Avoid Christmas, New Year's, Easter and July-August summer vacation period.

to NF 31 billion. Exchange reserves are currently approximately NF 10 billion and exceed foreign liabilities, which are being retired in advance of maturity. The franc is sound and externally convertible.

The accelerated implementation of EEC arrangements is already having a noticeable effect. Trade with EEC countries in 1960 accounted for 40 per cent of France's total trade compared with 32 per cent in 1958. Imports from the EEC countries have increased 50 per cent and exports to them 79 per cent over the past two years. These trends are expected to continue as tariffs are reduced to zero, probably by 1966.

Trade with Canada

Canadian exports to Metropolitan France (including Algeria) in 1960 increased by 80 per cent to $77.6 million. Imports were slightly below 1959 and were valued at $50.3 million. The principal products traded are shown on page 33.

Although 85 per cent of Canadian exports to France consist of the eleven groups of commodities mentioned above, Canadian exporters last year shipped over 280 categories of goods to this country. New business was developed in many commodities which have not been sold here for years (see *Foreign Trade* of March 11, 1961) and the trade is being further diversified as more products are freed from import controls.

Import Liberalization

On April 1, 41 additional tariff positions were freed from quantitative restrictions and the French Government announced its intention to liberalize two more positions on June 15 and 15 others later this year. Among the products of interest to Canada which can now be imported freely are:

molybdenum
synthetic rubber
chemicals
alloy steel
nickel matte and intermediate products
radio equipment
construction tractors
trucks
motor vehicle parts
optical lenses and prisms
furniture
toys
coin-operated machines

By the end of this year, quantitative import restrictions will be removed on all industrial goods except coal, petroleum, paper, ships and aircraft. Import licences for these and for many agricultural commodities are available on application. Further import liberalizations are expected now that France has declared that it no longer maintains restrictions for balance-of-payments reasons. Full details on import formalities are available from the International Trade Relations Branch of the Department of Trade and Commerce, Ottawa.

Tariff Reductions Accelerated

On April 1, France took the unprecedented step of unilaterally reducing tariffs on industrial goods by

FRANCO-CANADIAN TRADE IN 1959 AND 1960

	1959	1960	Per Cent Change
Canadian Exports to France		(millions of new francs)	
Wheat and grain	26.3	70.7	168.4
Copper	41.7	54.0	29.4
Oilseeds	36.1	48.9	35.4
Synthetic rubber	32.9	45.5	38.2
Plastics and articles thereof	8.2	43.0	524.3
Asbestos	27.4	36.1	31.7
Nickel	4.3	24.4	567.4
Aluminum	43.4	23.4	−46.1
Wood pulp	11.6	20.0	72.4
Chemicals and allied products	1.3	15.0	1,153.0
Wood and manufactures thereof	3.3	9.2	178.7
TOTAL (all products)	258.3	450.5	74.4
French Exports to Canada			
Automobiles and cycles	93.3	55.7	−40.4
Wines and alcoholic beverages	27.3	28.1	2.9
Books and printed matter	16.1	21.3	32.3
Iron and steel	18.8	19.5	3.7
Chemicals and allied products	25.0	18.0	−38.0
Boilers, machinery, etc.	8.6	11.4	13.2
Glass and glassware	9.7	10.6	10.9
Wool, yarns, etc.	8.8	8.0	−9.1
Apparel	5.1	8.0	56.8
Carpets, lace, embroideries	5.3	5.9	11.3
TOTAL (all products)	281.7	260.5	−7.5

SOURCE: "Statistiques du Commerce Extérieur", Ministère des Finances et des Affaires Economiques.

Typical of French scientific achievements is this Interferometre at Nançay, which studies the sun as it passes the meridian line. This is the east-west section, composed of 32 mirrors; each mirror has a diameter of five metres.

—Jean-Pierre Sudre.

5 per cent and tariffs on a number of items formerly under price control by 10 per cent. In absolute terms, these tariff reductions are greater for EEC countries because they are calculated on 1957 rates and apply to tariffs prevailing on March 31 of this year. The announced purpose was to expose the economy to new competitive influences and to head off price increases now that price controls have been removed.

As a result of import liberalizations and two rounds of tariff reductions, Canadian importers have more favourable access to the French market than at any time in the past twenty years. Competitive suppliers in other EEC countries, however, enjoy even lower rates at present and are making plans to free all tariffs, probably in 1966. Their preferential position in the French market at that time will depend on the level of the common external tariff, which is still under negotiation.

The Outlook

Prospects for continuing expansion, improving terms of access for Canadian goods, and hence increased Canadian sales to France are excellent. Major increases in sales of materials are already indicated from discussions between Canadian and French firms in Paris over the past few months. There is little doubt that this country will require increasing supplies of metals, minerals, wood products and paper. The outlook for products of secondary manufacturing industries is less clear. Products that are in demand and not manufactured within the EEC can be introduced; those that are competitive with local production will have to be very attractive indeed. The experience of the Paris office is that any product from Canada can be sold by convincing local importers that it is to their advantage to test items that will either reduce costs or improve sales. Intensive and imaginative personal selling is a must. ●

Switzerland

Economic advance continued last year, and imports and exports set a record. Swiss industry is improving design and quality of products to meet threatened EEC competition. Canadian sales to Swiss increased slightly in 1960.

S. G. MacDONALD, *Commercial Counsellor, Berne.*

THE economic advance which began late in 1958 and continued through the following year was again apparent in Switzerland in 1960. This trend is continuing in 1961. The extraordinary activity in the construction industry, surpassing all records, and the increase in exports have provided the greatest stimulation. Business investment rose strongly, as did consumer spending; the engineering industry, most consumer goods industries, and the tourist trade reached high levels.

Labour Shortage

This surge of activity has aggravated what is now a chronic problem in Switzerland, the acute shortage of labour. Each year the difficulty increases, with conditions in agriculture the most critical. At the height of activity last August, 435,000 foreign labourers were registered here compared with 365,000 a year earlier. Present indications are that the figure will exceed half a million this August. At the end of February there were less than 200 unemployed persons in the country and more than 8,000 registered job openings.

The serious effect of such labour shortages and the uncertainty of obtaining sufficient imported labour, particularly in the skilled group so necessary in much of Swiss industry, was made evident in 1959 by the amount of plant capacity that could not be used. This problem increased last year and continues apace this year. Swiss employers of labour can no longer expect to meet their needs from the domestic supply nor from neighbouring countries such as Italy and Austria, which previously provided nearly all the seasonal and additional industrial labour needed. The labour stream from Austria has dried up because of the economic advances there over the past several years, and Italy, also experiencing an industrial boom, can no longer supply the types and numbers of workers needed. In industrial and economic circles here, serious thought is being given to the possibility of obtaining certain categories of labour from across the Atlantic.

Labour shortage has created a backlog of unfilled orders which should assure a high level of employment for some time to come. Nevertheless, the situation overburdens the economy and lengthens the time on delivery dates, thus endangering Swiss production and foreign trade.

Long-term Problems

Over the long term, the economic outlook for Switzerland is less favourable than at the present, as all efforts made so far to bring about a smoother working arrangement between the two European economic groups seem to have proved unsuccessful. The effects of speeding up tariff reductions in the EEC (to 30 per cent last January) and the need for EFTA (of which Switzerland is a member) to reach a similar reduction on July 1st of this year are felt in industrial circles, particularly because certain members of EEC (in particular West Germany) constitute this country's most important markets.

These preoccupations are aggravated by increased costs of production in many industrial sectors. The cost of living, which for the two years previous had remained relatively stable, in 1960 started to climb; the consumer price index stood at 184.7 at the end of 1960 compared with 181.5 a year earlier (August 1939 equals 100) and wholesale prices decreased marginally from 215.7 to 213.2 (August 1939 equals 100). Effective wages also rose, both from the standpoint of social improvements and actual wage increases.

Budget Shows Surplus

Over-all Swiss prosperity in the past two years has had its effect on the Federal Government's finances. Surpluses, either greater than expected or occurring when deficits were forecast, have swelled the public treasury in the face of unprecedented outlays on costs of Government. These surpluses are expected to be even larger in 1961. Especially heavy expenditures are anticipated for the military: one billion francs is considered necessary, a figure never before reached in peacetime. Apart from this and other more normal expenditures, an increase of 171 million francs in subsidies is provided for, to reach a total of 767 million francs—a rise that is causing alarm in many quarters.

Swiss Banking

Despite the economic activity throughout Switzerland in 1960, the money market maintained considerable liquidity. Although there were some fluctuations created by overseas political and economic conditions, deposits of 2.3 billion francs were reported at the end of the year, a figure only slightly below the comparatively high one of a year earlier. The monetary reserves of the Central Bank at the end of December exceeded 10 billion francs for the first time in history. The year was fraught with many difficulties for the fiscal and

anking authorities, but the stability ney were able to maintain in the wiss economy and even world nancial circles in the face of trong outside pressures reinforces nce more the tribute frequently iven to the Swiss as the world's ankers.

The capital market in 1960 eached record levels and featured high rate of new domestic investment and capital export. Numerous ew bond issues were successfully aised, including several for Canaian provincial and municipal govrnments, but mainly for EFTA ountries and the World Bank.

Swiss banks enjoyed a record olume of business. Their assets inreased by about 11 per cent, an nprecedented rise, to a total of 3.4 billion francs. Deposits, largely ecause of the inflow of capital om abroad, increased some 3.8 illion francs—more than double nat of the previous year. Loans dvanced by some 3 billion francs, r more than 50 per cent above the otal for 1959. Lower Swiss interest ates than those generally prevailing broad played a part in the loan xpansion, although high levels of omestic and foreign trade were nore important factors. The liquidy of the banks and other finanial institutions remained excellent nroughout the year and this has een important in view of the rising redit demands made in the first nonths of 1961—demands which ill probably continue throughout ne year.

oreign Trade

As in 1959, Switzerland's foreign ade in 1960 reflected the considerble stepping-up of economic activy at home. Although there were nly slight changes in prices for oth import and export commodies, the two sectors made imporant advances. Imports started delining in mid-1957 but early in 959 they began to turn upwards nd steadily increased from then on reach their highest level ever by ne end of 1960. Exports have

SWISS FOREIGN TRADE

	Imports 1958	Imports 1959	Imports 1960	Exports 1958	Exports 1959	Exports 1960
	(in millions of Swiss francs*)					
EUROPE						
EEC countries						
France	757	932	1,212	494	501	544
Italy	870	951	1,013	520	593	671
West Germany	2,005	2,367	2,841	1,087	1,246	1,493
Other	679	729	824	504	562	620
Total	4,311	4,979	5,890	2,605	2,902	3,328
EFTA countries						
Austria	153	176	209	202	219	260
Britain	413	617	573	372	414	472
Sweden	106	126	175	205	201	233
Other	121	134	143	252	281	331
Total	793	1,053	1,100	1,031	1,115	1,296
Rest of Europe	352	328	384	567	614	663
Total, Europe	5,456	6,360	7,374	4,203	4,631	5,287
WESTERN HEMISPHERE						
Argentina	62	58	67	88	85	93
Brazil	51	68	48	89	90	109
Canada	170	131	171	144	152	142
Mexico	53	41	41	90	94	96
United States	837	875	1,096	658	814	807
Venezuela	12	9	6	106	104	95
Other	200	167	212	218	218	238
Total	1,385	1,349	1,641	1,393	1,557	1,580
AFRICA	219	227	251	292	301	296
ASIA	241	295	354	640	665	814
AUSTRALIA and OCEANIA	34	37	28	121	120	154
Grand total	**7,335**	**8,268**	**9,648**	**6,649**	**7,274**	**8,131**

*During these years 1 Swiss franc approximated U.S.$0.23.

advanced steadily since the end of 1957 and in 1960 they far surpassed the record reached in 1959. Nevertheless, imports exceeded exports by 1,517 million francs—a much higher figure than in 1959.

The rapid rise in imports in 1960 reflected mainly purchases of raw materials; these increased by about 23 per cent over the previous year. In 1959, the unfavourable balance was caused mainly by purchases of durable goods, with a percentage increase over 1958 of nearly 25 per cent; raw material imports advanced by only 11 per cent. Imports of chemical and drug products and of machine tools and instruments also gained substantially in 1960; purchases of foreign-finished goods were some 15 per cent higher than in 1959, and foodstuffs and fodder imports increased for the first time since 1957.

Among the major export industries, the watch manufacturers increased their totals some 13 per cent, and the capital goods industries, which had been working at full capacity for some time, increased theirs by only a shade less. Chemical and pharmaceutical manufacturers had an excellent year and even textile exports rose, although there was considerable variation among different lines.

Traditionally, the Western European countries are of the greatest importance to Swiss foreign trade. Imports from there increased by 17 per cent in 1960, and exports to them by 12 per cent; imports from EFTA countries increased only 5 per cent and in consequence their share of total imports decreased from 13 per cent in 1959 to 11 per cent in 1960. Their share of total Swiss exports increased by 16 per

cent. The largest relative increase in Switzerland's exports in 1960 was with this group.

Switzerland's imports from the Common Market rose by 18 per cent and her exports to the Six by 15 per cent, creating a balance-of-trade deficit with these countries of 2.6 billion francs, compared with 2.1 billion in 1959. West Germany's position as Switzerland's most important trading partner was strengthened. The usual trading deficit with the United States was increased last year because of stepped-up imports and a small fall in exports. The balance of trade with Canada also showed a larger deficit.

Trade with Canada

Canadian exports to Switzerland in 1959 were down in value by about 12 per cent compared with the previous year, almost entirely because of much smaller purchases of bread and durum wheat and primary forms of aluminum. The reduction followed a record domestic crop in 1958 which was in turn surpassed again in 1959 and 1960. A further reduction in imports of wheat in 1960 might have been expected, but in fact the decrease was comparatively small and durum wheat actually made a modest gain. Exports of primary aluminum remained about the same as in 1959, and almost all other leading exports increased. The coming into operation of EFTA and the first tariff reduction among its members on July 1, 1960, caused concern among some Canadian exporters but as the year progressed the volume of trade held up well, new business even resulted for exporters of plastics, synthetic rubber (not in sheets) n.o.p., and of copper ingots, bars and billets. Other leading exports maintained their positions and values. In consequence, the 1959 total was slightly exceeded. The accompanying tables list the main commodities in Canada-Switzerland trade for 1959 and 1960. Canada's exports totalled $26.4 million in 1960 compared with $25.7 million in 1959. Imports from Switzerland reached $24.3 million in 1960, compared with $24.5 million the previous year. Transhipments, time of shipments and arrivals, and third country handling largely account for the apparent differences in value between Canadian and Swiss statistics. The comparatively close balance of trade between the two countries that has existed for some years was maintained in 1960.

In the early months of 1961 Canadian exports to Switzerland dropped a little while Swiss exports to Canada held up well. It is too soon to predict the 1961 results but it appears likely that the large quantity of grain produced by 1960's record crop and the large purchase that year of Canadian wheat will mean a reduction in this sector of our trade in 1961. Other sectors however, despite a further 10 per cent tariff reduction on July 1st among EFTA countries, should maintain their volume, especially if the interest generated by the Export Trade Promotion Conference in Ottawa last December continues.

CANADIAN EXPORTS TO SWITZERLAND

(in thousands of Canadian dollars)

	1959	1960
Wheat, except seed, n.o.p.	8,462.8	6,605.3
Aluminum in primary forms	3,832.5	3,692.2
Durum wheat, except seed	2,792.8	3,334.5
Copper rods, strips, sheets	2,128.5	3,097.9
Synthetic fibre, thread, and yarn	1,275.8	1,232.9
Plastics, synthetic rubber, not sheets, n.o.p.		860.2
Barley	976.5	719.6
Copper ingots, bars, billets		486.2
Wood pulp, sulphate, kraft, bleached	339.6	482.2
Asbestos milled fibres and shorts	577.8	474.0
Bookkeeping and calculating machines and parts	529.9	426.1
Mink skins undressed, ranch and wild	240.4	336.9
Motor vehicles, n.o.p., and parts	144.8	299.2
Packages, general	218.4	295.1
Nickel fine	66.8	218.0

SWISS EXPORTS TO CANADA

(in thousands of Canadian dollars)

	1959	1960
Watch actions over one jewel	3,507.5	3,374.0
Aniline dyes	1,344.2	1,462.3
Medicinal preparations, dry	1,168.6	1,351.1
Drugs and chemicals, n.o.p.	882.9	1,222.4
Watches over one jewel	1,014.5	1,210.6
Cheese	1,160.4	1,142.8
Machinery, n.o.p., and parts	922.8	805.1
Yarn, cord, and fabric machinery and parts	475.5	653.2
Electric apparatus, n.o.p.	554.5	512.5
Switches, switchboards, and parts	682.0	469.5
Watches one or no jewel	519.3	467.0
Domestic sewing machines	525.3	415.0
Dynamos, generators, and parts, n.o.p.	718.3	358.9
Watch cases and parts	362.4	344.3
Clothing, n.o.p., wool knit, women's and girls'	247.6	318.9

The Trade Future

Switzerland is taking a hard look at the way industry and trade in Western Europe are developing and at her place in that development. The speeding up of tariff reductions among EEC countries, their greater integration of industry, their success at financial exchanges and all-round economic solidarity are causing concern to industry here. The EFTA countries themselves, forced by the pace set by EEC, will soon reduce tariffs even further. Swiss industry is exerting every effort to improve the design, quality and price of its export products in order to maintain its economic strength compared with the Six. Consequently in this market, as elsewhere in Western Europe, third countries such as Canada must make even greater efforts to offer products of the best design and quality and competitive in price if they are to increase or even maintain their sales in Switzerland. ●

Austria

Prosperous, stable, and expanding, Austria is worth investigating as a market for a range of Canadian products. The author stresses the important points an investigation should cover.

I. K. THOMSON, *Commercial Counsellor, Vienna.*

BOOM conditions continue in Austria; in 1960 the gross national product increased by 10.1 per cent over the previous year and would have been higher had there not been a labour shortage. In spite of a small deficit in the balance of payments (the first in five years), gold and foreign exchange resources were sufficient at the end of the year to cover import requirements for about six months. The Government's postwar program to reconstruct industry and achieve financial and economic stability has succeeded remarkably.

One of the smallest countries in Europe, with a population of only seven million, Austria is fortunate to have important raw material resources and a stable and efficient labour force. In addition to its major primary industries—iron and steel, forest products, machinery and equipment—the country has extensive secondary industries, among which textiles, photographic and optical equipment and machinery are important. Expansion and modernization of industry continues, with special emphasis on automation to offset labour shortages. The introduction of the 45-hour week and increases in tourist travel and construction provided full employment last summer; indeed, some construction plans had to be curtailed because of the labour shortage. Productivity per worker increased by about 7 per cent in 1960 and the total wage bill rose by 10 per cent. Consumer prices were slightly higher but the purchasing power of individual workers went up more or less in step with the rise in productivity.

The tourist trade is Austria's most important foreign-exchange earner and in terms of employment and earnings only the primary industries outrank it.

Agricultural output last year increased by 13 per cent over 1959; the harvest was particularly good and wheat and grain production rose by 18.3 per cent. Some sectors of Austrian agriculture, however, are not especially economic and require production and marketing subsidies. Surpluses of grain, beet sugar and dairy products are causing concern.

Foreign Trade

Because the Austrian economy depends so much on export trade and is influenced by recession in other countries, the Government has maintained a conservative trade policy. Import restrictions, a number of them frankly protective, are still retained despite the sizable gold and foreign exchange reserves. Imports from OEEC countries and the dollar area are for the most part completely liberalized, but a number of Canadian products are still subject to import restrictions or prohibitions.

Austria's principal supplier and principal market continues to be West Germany, which takes 26 per cent of Austrian exports and supplies 40 per cent of its imports. Other neighbouring countries, such as Italy and Switzerland, are also important suppliers and markets. The United States comes third among Austria's suppliers and fourth among its export markets. It is interesting to note that despite the lowering of tariffs in the countries of the European Free Trade Association (of which Austria is a member) and in those of the European Economic Community, Austrian exports to member countries of EFTA constituted only 12.5 per cent of the total and increased in 1960 by only 0.9 per cent. On the other hand, Austrian exports to EEC countries in 1960 made up 50.4 per cent of its total exports and actually increased by 1.1 per cent. Imports from the EEC countries declined slightly last year.

The division of Europe into competing trading blocs has not yet had any appreciable effect on Austrian trade with other Western European countries. Eastern European countries have long been trade partners of Austria; in 1960 some 12 per cent of Austrian trade was conducted with Czechoslovakia, Hungary, Rumania, Bulgaria, Poland and the U.S.S.R.

Trade with Canada

According to Austrian trade statistics, imports from Canada dropped from $16.7 million in 1959 to $12.5 million in 1960, the result of an excellent grain crop which reduced imports of Canadian wheat. Wheat is Austria's principal import from Canada and last year purchases were valued at approximately $6.3 million compared with approximately $10.5 million in 1959. Other imports of interest included nickel ($1.8 million), and minerals ($1.6 million), principally asbestos and synthetic rubber. Smaller amounts of tobacco, fish products, hides and skins, chemicals, iron and steel, copper, business machines and other machinery were sold to Austria by Canadian firms in 1960.

Canadian imports from Austria increased from approximately $6 million in 1959 to approximately $6.8 million in 1960 (Austrian statistics). They consisted of a wide range of products, principally consumer goods, including costume jewellery, textiles, photographic equipment, sporting goods, and machinery of different types.

When You Think of the Austrian Market, Consider . . .

- The import restrictions that are still maintained on some products.
- The tariff structure, and take a close look at the advantages EFTA members have.
- The competition, strong from traditional suppliers in neighbouring countries.
- Credit terms and delivery times that competitors offer. Can you meet them, taking into consideration the quality of your product?
- Approaching the Austrian market in conjunction with promotion of your product in other Western European markets, particularly those using the German language.

The Austrian market presents an interesting challenge to Canadian producers and exporters, with its growing prosperity, virtually full employment, improved standard of living, rehabilitation of old and establishment of new industries, and considerable capital investment (both private and by the government) in roads, hydroelectric plants, factories and housing.

This is a lively though not a large market for many products ranging from industrial raw materials and agricultural products to capital equipment and luxury consumer goods. But it is not an easy one. Austria produces a wide variety of commodities, some of which compete with Canadian products in world markets; it is conservative and, as mentioned earlier, still imposes certain import restrictions. The competition for business is strong, not only from traditional suppliers such as Germany, Italy, Switzerland, the United Kingdom, but also from other parts of the world. Traders from neighbouring Western European countries enjoy a decided advantage because their products have been known in this market for many years. Moreover, they are able to keep in close contact with their Austrian customers through frequent visits, and can keep consignment stocks in Austria or provide quicker deliveries than can Canadian exporters facing the problem of a long haul.

Assessing Opportunities

In assessing the Austrian market the Canadian exporter will first wish to find out whether any of the import restrictions affect his product. The tariff structure should be examined at the same time, and in particular the tariff advantages enjoyed by member countries of the European Free Trade Association. Second, he will wish to see where the competition lies and to gain some understanding of the quality of competitive products, the facilities for delivery, the holding of spare parts and the price structure. He will wish to examine the credit that particular producers extend to customers or distributors in this market and decide whether he can offer competitive terms. These are all important factors in determining the sales possibilities for Canadi products. Once the exporter is co vinced that through quality a price he can stand up to the cor petition, the next important step to introduce his product and/ select an agent or distributor to it for him.

During initial negotiations with potential customer, agent or distr butor, it is essential that the Can dian exporter provide:

(a) c.i.f. prices, at least c.i.f. Nor European port, preferably free Au trian border (f.o.b. factory or f.a Canadian port quotations are rare of interest to the Austrian importe

(b) sales literature printed in t German language, or if this is in possible, a synopsis in German pr viding essential details, particular technical specifications

(c) specifications converted in the metric system; European stan ard specifications should be us whenever possible.

Although it is not always esse tial, the ability to correspond German with a customer is a gre asset. For certain consumer goo and chemicals it is helpful if stoc are maintained in Austria or at European free port so that they w be quickly available to end-users customers.

Not all these problems must overcome but they should all considered by an exporter a proaching the Austrian market. Th range of Canadian products no exported to Austria is not wide b it does vary from industrial ra materials to technical equipme and consumer goods. There is ev dence of even greater sales possibil ties if the Canadian exporter willing to take pains to assess a pursue them.

We recommend that exporte consider exploiting the Austria market in conjunction with sal promotion in neighbouring market particularly those where the Ge man language is used, notably Ge

many and Switzerland. Sales literature in German, the translation of technical terms into European equivalents, the quotation of prices are all factors in these three markets. Although conditions may differ in these countries, requirements and tastes are frequently similar and the Canadian product that will sell in West Germany and Switzerland may also attract buyers in Austria.

Canadian businessmen can, if they wish, combine pleasure with business in this historic and beautiful country that offers winter sports, alpine scenery, and a rich heritage of music and art. The Office of the Commercial Counsellor for Canada in Vienna will be happy to assist Canadians who are planning a business visit here. ●

West Germany

Revaluation of Deutsche Mark may slow down expansion of German exports in '61 and increase imports. It should not affect Canadian sales, as main competition comes not from domestic but other foreign suppliers. Foodstuffs and industrial raw materials continue to be our best sellers in this market.

J. A. STILES, *Commercial Counsellor, Bonn.*

THE West German economy continues its impressive expansion. In 1960 the gross national product increased by 8 per cent in real terms compared with 6.7 per cent in 1959. The outlook for 1961 is for a further increase of 5 to 6 per cent; the labour shortage is one of the principal reasons for the slower growth rate expected this year.

The Canadian Ambassador to Germany, Escott Reid (second from left) and the Commercial Counsellor, J. A. Stiles (second from right) photographed against piles of Canadian iron ore at a Krupp subsidiary. The firm buys about $3½ million worth of Canadian ore a year; iron ore sales to Germany total $6.7 million.

At the end of April 1961 there were 567,920 job vacancies compared with only 131,191 registered unemployed, or more than four jobs available for each person seeking work. Last year some 325,000 foreign workers worked in West Germany under contract and it is expected that this number will rise to nearly 600,000 by the end of 1961. In 1960 the total working population averaged 25.5 million.

Industrial production in West Germany rose in 1960 by 12.1 per cent, compared with 7.9 per cent in 1959 and 3.4 per cent in 1958. The basic and producer goods industries raised their output in 1960 by 14.5, the capital goods industries by 15.8, and the consumer goods industries by 8.8 per cent. Outstanding was the rise in crude steel production which reached a record 34.1 million tons, 15.8 per cent above the previous year. The growing strength of the automotive industry is reflected in the fact that more than two million cars and trucks were produced in 1960 compared with 1.7 million in 1959.

Foreign Trade

West Germany's foreign trade also rose sharply. Imports went up by 19 per cent to the equivalent of $10.2 billion. Imports of semi-finished and finished goods and of industrial raw materials increased substantially as a result of the general rise in economic activity. Exports last year rose by 16 per

When Exporting to West Germany . . .

DO

- Consider the value of a personal visit to the market. Your product is sure to receive better consideration if you explain its advantages personally to a prospective customer. Chances are that you will come away with some new ideas which will be helpful to you.

- Try to correspond in the German language whenever possible. Make it easy for your customer to know what you are offering.

- Support your German agent as strongly as you would your Canadian sales representatives. Whenever feasible, arrange for him to visit your Canadian factory, so that he can do the best possible selling job on your behalf.

- Bear in mind the importance of continuity of supply. You are not likely to get a second order if your German customer believes you are not prepared to consider Germany one of your regular markets.

- Quote prices c.i.f. German port. Local firms are too busy to work out your quotations, especially when your numerous competitors are prepared to do so.

DON'T

- Overlook the possibility of exhibiting your products at a German trade fair. The fair is a traditional medium of doing business in Germany and is an excellent way of getting started in this market.

- Forget that the German trade offices in Ottawa, Montreal, Toronto, Winnipeg and Vancouver can provide helpful information about German market conditions. Examine the excellent English-language trade publications about Germany that they have on hand.

- Let the German customer wait three to four weeks for your answer by seamail. Your competitors correspond by airmail.

cent to $11.4 billion; the result was a surplus on current account of $1.2 billion.

German exports to and imports from the other members of the European Economic Community increased steadily in 1960, reflecting a trend evident since the formation of the Community. Exports to EFTA countries rose slightly, but imports from this area have begun to decline.

German Trade with EEC and EFTA

(per cent of total value)

Exports to	1958	1959	1960
EEC countries	27.3	27.8	29.5
EFTA countries	27.5	27.0	28.0
Imports from	**1958**	**1959**	**1960**
EEC countries	25.6	28.8	29.7
EFTA countries	20.8	20.7	19.6

Between January 1, 1959, and January 1, 1961, internal tariffs on industrial products traded within the EEC were reduced by 30 per cent. The main effect to date has been a greater flow of manufactured goods, particularly automobiles and steel products, between member countries.

One of the most noticeable developments resulting from the formation of the EEC has been the increasing amount of United States direct investment coming into the Community. Since June 1958, U.S. firms have established 75 new manufacturing or processing plants in West Germany, plus more than 100 branches engaged in distribution or servicing operations. U.S. direct investments in Germany now amount to over $800 million.

Revaluation of Deutsche Mark

Largely because of the restrictive monetary policy followed by the Central Bank, the outflow of capital was reversed in 1960. This development, added to the heavy current account surplus, caused German gold and foreign exchange reserves to rise by nearly $2 billion by the end of the year to some $7.5 billion. The Government then took a decision effective March 5, 1961, to revalue the German currency upwards by approximately 5 per cent, with the object of strengthening the D-Mark and preserving the stability of the German price level. The new parity of the D-mark in relation to the U.S. dollar is U.S.$1=DM 4.

This move caught German industry by surprise as government officials on several occasions had denied that a revaluation of the currency was contemplated. It is too

early yet to see clearly what the effects of this move on West Germany's trade will be. So far as German exports are concerned, it seems likely that many local firms will try to absorb the 5 per cent, or at least part of it, rather than pass on the full price increase to the foreign buyer. It is also worth noting that German exports in March were lower than in the same month a year ago. Officials in the German Economics Ministry believe that the results of the currency move will be a slowing down in the growth of German exports and an increase in the volume of imports; this will mean a much smaller German export surplus in 1961. Government and banking representatives are also currently denying strongly that a second revaluation is being considered.

Canadian-German Trade

Canadian exports to West Germany in 1960 rose to $165.6 million, a 27 per cent increase over 1959. As the accompanying table shows, our exports to this market consist largely of foodstuffs and industrial raw materials. The main increases in our exports in 1960 were in aluminum, copper, nickel, iron ore, asbestos and wood pulp—a direct result of the higher level of industrial production in Germany plus some stockpiling of aluminum. The recent revaluation of the D-Mark will probably make little difference in our over-all sales here because the bulk of our exports compete with supplies from outside Germany that also benefit from the German currency revaluation.

Canadian imports from West Germany increased by 2.4 per cent in 1960 to $126.6 million compared with $123.3 million in 1959. German automobiles, machinery, and iron and steel products were outstanding in this trade.

PRINCIPAL CANADIAN EXPORTS TO WEST GERMANY

	$ 1959	$ 1960
Barley	668,418	2,999,357
Oats		1,598,764
Durum wheat	11,184,307	14,358,462
Wheat except seed n.o.p.	40,487,263	25,366,700
Whisky	810,794	956,200
Flaxseed n.o.p.	3,382,292	2,284,753
Tobacco bright flue-cured	1,286,605	678,491
Cattle hides raw	1,033,572	1,875,170
Pulp, sulphate, kraft bleached	1,831,292	2,716,902
Pulp, sulphate, kraft semi-bleached	859,957	1,477,849
Pulp, sulphate, kraft unbleached	522,256	1,152,831
Iron ore, crude concentrated	5,159,102	6,743,384
Pig iron	43,940	1,915,901
Sheet and strip steel n.o.p.		1,237,189
Engines, aircraft and parts	3,754,293	4,647,554
Bookkeeping calculating machines and parts	1,153,016	3,238,710
Aluminum scrap	649,868	1,075,431
Aluminum in primary forms	14,274,078	32,942,522
Brass scrap, dross and ashes	220,651	977,680
Copper scrap, slag skimmings	490,559	2,402,901
Copper ingots, bars, billets	5,469,552	7,867,171
Lead in ore	1,773,363	2,024,806
Nickel, fine	3,926,726	9,220,237
Telegraph and telephone apparatus	292,681	1,834,310
Radio wireless apparatus n.o.p.	163,832	963,050
Asbestos, milled fibres	6,762,111	
Asbestos, milled fibres, group 3		1,070,936
Asbestos, milled fibres, group 4, 5		6,647,655
Asbestos shorts, group 6, 7, 8, 9	1,734,176	1,897,645
Non-metallic minerals, n.o.p.	1,683,217	4,255,452
Plastics, synthetic rubber, not sheets, n.o.p.		5,386,855
Polystyrene	2,196,895	530,051
Aircraft parts	215,074	1,045,744
TOTAL, including all commodities	**129,344,727**	**165,596,516**

Note: For certain items in the table, the 1959 blanks are due to statistical reclassifications.

Canadian Export Opportunities

The most promising export opportunities for Canadian suppliers continue to be in foodstuffs and industrial raw materials. West Germany produces only three quarters of its food requirements and must import each year substantial quantities of grains, fruit and vegetables. Canada is a major supplier of durum and bread wheat to this market and strong efforts must be made to retain this position by continuing to provide good quality, delivery and service. A major factor affecting sales prospects for our grains will be the outcome of current negotiations on the EEC common agricultural policy. Some food lines in which we could improve our position are frozen poultry, frozen fruits and vegetables, egg products and apples.

With the growing strength of German industry, the demand for imported industrial metals and minerals will no doubt increase. Germany does not have sufficient quantities available from domestic sources and local importers are always interested in considering Canadian offers. Some of the larger German firms have also shown interest in participating financially in the development of Canadian industrial minerals and metals, with the object of securing regular sources of supply. During the visit of the Canadian Trade Mission to the EEC in October 1960, the desire of German companies to establish closer relations with Canadian firms in this field was frequently expressed.

The opportunities for manufactured goods from Canada are more limited because of the wide range of efficient industries which are well established in West Germany. There are, however, exceptions where business is possible because of current long delivery dates from domestic suppliers, or new developments for which local manufacturers are as yet unable to cover the demand. Examples of the former are special steels and aircraft components, and of the latter lightweight garden furniture, freezing units and oil-burners. In addition, there are now opportunities for high quality consumer goods as a result of the rising standard of living. In the last ten years, per capita income in West Germany has increased by some 130 per cent.

Approaching the Market

The main point for Canadian exporters to bear in mind is that almost anything can be sold here, provided it can stand up to domestic and foreign competition. There are now only a very few German import restrictions on non-agricultural products, and foreign exchange difficulties have disappeared.

An easy way to test the market is to supply literature and prices to local importers of the commodity. Lists of firms can be obtained from the Canadian trade offices in Hamburg and Bonn. German companies are receiving offers from all over the world, so Canadian quotations must be carefully prepared with the requirements of the buyer in mind. Such points as supplying metric measurements, literature in the German language, prices free German port, will all help in ensuring that your product receives careful consideration.

Most Canadian firms now selling to this market have found that a good local agent is the best channel through which to promote sales. German agents and trade associations, as well as the Canadian trade offices, can be helpful in arranging suitable representation for Canadian exporters wishing to sell here. ●

— ★ indicates Trade Commissioner Service offic

Portugal

Membership in EFTA has encouraged Portugal to step up develop-ment programs; trade with other members is increasing. Canadia sales to both continental Portugal and its overseas provinces ex-panded last year.

T. J. MONTY, *Commercial Counsellor, Lisbon.*

PORTUGAL is still basically an agricultural country, producing mainly products such as olives, olive oil, corkwood, and wines (chiefly port and Madeira). It also produces minerals, such as iron ore, pyrites, tungsten and tin; sardines and other canned fish, and fish oils. Today the country is industrializing gradually under the impetus provided by development plans.

In 1959 Portugal's gross national product rose by 4.5 per cent—a higher rate than the average and said to approximate the rate in other parts of Western Europe. The principal factor in this rise was the expansion in industry and in electrical energy. The 1960 figure has not yet been published but it is believed to be close to that of 1959. Since 1955, agriculture has shown signs of becoming a less important factor in national output. In 1959 agricultural production was value at only $396 million and it decline still further last year, according to estimates. To remedy this situatio the Government has introduced assistance in the form of agricultura credits and technical aid. One brigh spot was forest products, productio of which rose to a value of $77. million largely because of the cork harvest. The average export price for cork, however, fell from $27 to $268 per ton.

Industrial production, on the other hand, rose last year; the inde for the first six months increase from 146 to 156 (1953 equal 100), or 7 per cent.

The Second Development Plan which began in 1959, was carried forward in 1960. During the yea progress was made on the new stee

TABLE I

PORTUGAL'S TRADE WITH EEC AND EFTA

Countries	Imports from 1958	1959	1960	Exports to 1958	1959	1960
	(in millions of dollars)					
European Economic Community (EEC)	178	176	197	68	63	67
West Germany	80	80	88	21	23	28
Belgium-Luxembourg	33	28	31	10	9	10
France	35	34	43	18	12	11
Netherlands	13	16	17	7	8	8
Italy	17	19	19	12	11	11
European Free Trade Association (EFTA)	98	93	102	48	48	63
Austria	4	4	3	1	2	1
Denmark	4	3	2	3	3	4
Norway	5	4	3	2	3	3
United Kingdom	59	58	61	31	31	9
Sweden	13	10	12	6	6	9
Switzerland	15	15	20	4	3	4

TABLE II

PORTUGAL'S FOREIGN TRADE

		1958	1959	1960
		(in millions of dollars)		
Imports from	Port. overseas provinces	67	64	74
	Other countries	388	387	442
	TOTAL:	455	451	516
Exports to	Port. overseas provinces	75	80	79
	Other countries	199	196	229
	TOTAL:	274	276	308
Balance	Port. overseas provinces	+ 8	+ 16	+ 5
	Other countries	−190	−192	−212
	TOTAL:	−182	−176	−207

TABLE III

PRINCIPAL CANADIAN EXPORTS TO PORTUGAL

	1959	1960
	(in Canadian dollars)	
Cod	$861,578	$904,379
Flaxseed	669,889	507,579
Copper ingots, bars and billets	160,965	332,128
Aluminum and its products	184,965	332,074
Synthetic fibre thread and yarn	75,995	147,823
Plastics, synthetic rubber		317,388
Wheat flour	72,773	131,336
Asbestos products	62,803	115,064
Tobacco	260,913	104,750
Pulp, sulphite		90,219

TABLE IV

CANADIAN EXPORTS TO OVERSEAS PROVINCES

	1959	1960
Mozambique	$2,011,526	$3,145,371
Angola		67,436
Portuguese Africa	305,253	279,317
Portuguese India		385,246
Portuguese Asia	358,238	93,383

ill and on an atomic research reactor, which is now in operation. The Plan was the subject of an article in the June 17, 1961, issue of *Foreign Trade.*) About $140 million was spent on it in 1960, or 6 per cent of the sum budgeted.

Regional Trading Blocs

Developments within the two trading blocs—the EEC and EFTA—are being followed in Portugal with great attention. EFTA, with which Portugal is associated, lowered its tariffs for goods imported from member countries by 20 per cent on July 1, 1960, and another 0 per cent cut is expected on July 1, 1961. (These reductions do not apply, however, to agricultural and fisheries products.) The established trading pattern has not altered, as Table I shows.

Portugal's total trade with each of the groups increased in 1960 over the previous year by approximately the same amount (roughly $23 million). The Portuguese deficit on trade with EEC, however, rose by about $16.5 million but with EFTA it decreased by about $5 million. This seems to indicate a growing market in the six other EFTA countries for Portuguese goods. The country's association with EFTA has certainly stimulated economic development to bring it closer to that in other EFTA countries.

Both Portugal and its overseas provinces traditionally have a deficit on their balance of trade and this held true in 1960. Imports rose from $451 million in 1959 to $516 million last year, and exports increased from $276 million to $309 million. The trade deficit rose to $207.3 million from $175.9 million in 1959.

Table II gives the figures on total trade for the last three years.

Trade with Canada

Canada's sales to Portugal increased by about $85,000 in 1960—or from $3.25 million to $3.34 million. The ten principal commodities in this trade are detailed in Table III.

The composition of our exports to Portugal changes little from year to year; cod continues to be the leading product sold there. Sales of flaxseed have fallen slightly and so have exports of tobacco, both burley and flue-cured. Plastics, synthetic rubber, and sulphite pulp were included among the top ten for the first time last year. In addition to the products mentioned, we also sell fairly substantial quantities of iron and steel products ($79,200 in 1960) and of aircraft and automotive engines and parts ($84,091). Wheat, lumber and

newsprint are among the products sold to the overseas provinces.

Canadian exports to the Portuguese overseas provinces went up considerably last year, especially to Mozambique, which buys mainly lumber and newsprint. Wheat and wheat flour are important exports to Portuguese Asia and Portuguese Africa. Table IV shows the trade for the last two years.

Our imports from these provinces are extremely small—only about $210,000 in 1960, and about $155,000 of this represents purchases of coffee from Angola.

Canada's imports from contine tal Portugal expanded slightly 1960—to $3.21 million from $3. million in 1959. Leading commoc ties imported were, in round figure cork slabs $1,141,000; wines $423 000; anchovies $341,000, and cc ton fabrics $269,000. ●

Italy

Canada's exports to Italy more than doubled last year in response to Italy's rapid industrial expansion. Sales of primary and semi-manufactured products increased most, but new liberalization measures and greater prosperity give promise for larger exports of other commodities in the future.

RICHARD GREW, *Commercial Counsellor, Rome.*

THE Italian economy at present is strong and prosperous, though there are indications that the rate of expansion may not be as high in 1961 as in the past two or three years. In some quarters this is considered desirable because of the possible dangers of a too rapid expansion without a solid basis. In other words, if the economy reverts to a more normal rate of growth, it will lessen anxiety about the risks of inflation.

Agricultural Output Down

One sector of the Italian economy—agriculture—has not shared the marked improvement shown by industry. In fact, agricultural production in 1960 declined for the first time in five years as the index fell from 116.4 to 112.9. Bad weather was the main reason for the poorer yields and wheat probably suffered more than any other crop.

Italy is classified as a wheat-exporting country and until the end of 1959 it found disposing of its surpluses a problem, though they were gradually liquidated at considerable financial loss just at the time when the 1960 crop fell far below normal. Ordinarily Italy produces about 9 million tons of wheat and consumes about 8.5 million. Last year, production totalled only 6.8 million, necessitating the import of 2 million tons. Canada supplied approximately 185,000 tons, all of it durum.

For some years the authorities have set fixed prices for the two types of wheat, hard and soft, when these are sold to millers. All wheat except durum is considered soft, so that our Manitoba No. 1 Hard, for example, is considered a soft wheat in Italy.

It seems probable that Italy will again import wheat during the current season. Bad weather in the autumn and early months of this year, combined with a reduction of approximately 9 per cent in the area sown to wheat, means that imports will probably be at least as large as in the previous season.

Over-all agricultural production last year declined in value by 3.5 per cent. Grains and fruits suffered most, but vegetables and forage crops (especially the latter) showed some improvement.

Industry Expands

The best indication of Italy's economic progress in 1960 is the rise in production. Again according to preliminary estimates, the gross national product for 196 should reach $26 billion (at 19 prices), an increase of $2 billi over the preceding year. This repr sents a development rate of 7 p cent, compared with 6.6 per ce between 1958 and 1959 and average rate over the past ten yea of 5.5.

Industrial activity made t major contribution to the rise national income. The unusual e pansion in industrial productic (favoured by growing domestic ar foreign demand for goods) w made possible by three importa factors:

- reserve productive capacity many industrial sectors
- the still abundant supply of ma power
- the banks' ample liquid reserv which enabled them to help finan new production with a record e pansion of short-term loans.

The highest rate of developme was achieved in the sectors in whic the 1959 recovery was the slowes or in which the slump of the pr ceding years was the most pr longed. Examples are the meta lurgical industry, with a 22.9 p cent increase in 1960; the mecha ical industry (excluding means conveyance) 17.9 per cent, and th rubber industry 26.3 per cent. Th latter had stagnated for three yea or more at a particularly low level

Despite the good results achiev in 1959, a second group of indu tries continued to progress ev farther during 1960 because

'ood and wine are high on the list of Canadian imports from Italy. The distinctive ottles of the Society Chianti Ruffino are filled for export by women at the ompany's Pontassieve factory. Other large imports are marble and machinery.

ighly favourable circumstances or ew technical developments. The utomotive industry was one of this roup. The pressure of large foreign emand in 1959 (especially from the Jnited States and Germany) gave e first push and production went p 10 per cent that year; a second ronger spurt came in 1960 (up 8.2 per cent) because of an unxpected rise in domestic demand. talian automotive production has eached almost 700,000 units a ear.

Another success story is the cellu-se and artificial fibre (especially ynthetic fibre) industries, which chieved a 30.5 per cent rise beween 1958 and 1959, and a further 1.2 per cent increase in 1960. The hemical industry experienced simar expansion, although its deelopment rate was somewhat more odest (16 per cent). The rate in ther production sectors stayed just elow the average, although one ther case is noteworthy—the 12 er cent rise in electric power production.

This production picture for talian industry can be supplemented by a glance at more recent evelopments. The year 1960 closed n a minor key. The intensive development rates which had prevailed during the second half of 1959 and the first half of 1960 gave way, especially after August, to a more moderate rise in the general index of industrial production. From all the evidence, a pause at a high level is indicated for 1961—that is, a period of consolidation following one of extraordinarily rapid development.

Services Group Important

Any diagnosis of Italy's economic health in 1960 would not be complete without some mention of the services group. Income here rose by 8 per cent (constant prices), with the greatest progress shown in the transportation services field. In addition, commercial and business turnover statistics showed marked improvement.

The year 1960 therefore will go down in Italian economic history as one of the most prosperous since the war. If agriculture had not been so hard hit by adverse weather, the results might have been even more outstanding.

Foreign Trade Increases

The foreign trade of Italy, both imports and exports, expanded considerably during 1960, compared with the previous year. The accompanying tables give the figures for Italy's exports and imports from her principal trading partners in the last two years, according to official Italian statistics.

With the exception of exports to Poland, both imports and exports to all the countries mentioned in the tables increased.

Although Italy had an unfavourable trade balance of $1,072 million—$613 million more than in 1959—the balance-of-payments position remained steady and the year ended with foreign exchange reserves standing at about $3,000 million. The tourist trade, remittances from abroad, and foreign investment more than made up the trade deficit.

Canadian Sales Doubled

Canadian exports to Italy showed a pronounced improvement in 1960

IMPORTS INTO ITALY

From	1959	1960	Increase 1960
	(millions of dollars)		
West Germany	468.8	670.4	201.6
France	259.2	398.6	139.4
Netherlands	92.8	124.8	32.0
Belgium, Luxembourg	78.1	115.2	37.1
Austria	147.2	179.2	32.0
Yugoslavia	60.8	81.6	20.8
Poland	10.8	36.8	26.0
United Kingdom	187.2	249.6	62.4
U.S.S.R.	78.1	125.0	46.9
United States	374.4	669.1	294.7
CANADA	30.4	64.0	33.6
All countries	3,368.0	4,721.6	1,353.6

EXPORTS FROM ITALY

To	1959	1960	Increase 1960
	(millions of dollars)		
West Germany	472.0	601.6	129.6
France	179.2	275.2	96.0
Netherlands	76.0	107.2	31.2
Belgium, Luxembourg	73.7	94.4	20.7
Austria	81.6	112.0	30.4
Yugoslavia	65.6	104.0	39.4
Poland	16.0	10.8	—5.2
United Kingdom	201.6	251.2	46.6
U.S.S.R.	44.8	78.1	33.3
United States	345.6	385.6	40.0
CANADA	33.6	41.6	8.0
All countries	2,912.0	3,649.6	737.6

compared with the previous year—$66 million as against $31 million in 1959. Wheat accounted for $12 million of this $35 million increase, and the remainder was spread over a number of commodities, mainly raw materials and semi-processed products. The accompanying table gives the value of the principal exports for 1959 and 1960, according to DBS figures.

PRINCIPAL CANADIAN EXPORTS TO ITALY

	1959	1960	Increase
	(millions of dollars)		
Wheat	6.4	18.7	12.3
Pig iron		5.5	5.5
Primary aluminum	3.0	5.3	2.3
Rapeseed	4.6	3.8	—.8
Scrap aluminum	.7	3.6	2.9
Nickel, fine	1.3	3.6	2.3
Synthetic rubber		2.7	2.7
Wood pulp	1.2	1.9	.7
Asbestos, crude	.9	1.6	.7
Synthetic fibre		1.5	1.5
Copper ingot	.8	1.5	.7
Nickel in oxide	.4	1.4	1.0
Pulpwood	1.2	1.9	.7

The products listed constitute approximately 80 per cent of Canada's exports to Italy and confirm that Italy is interested chiefly in Canadian primary and semi-manufactured products. However, recent liberalization measures, combined with increasing economic prosperity, should provide greater opportunities for other commodities.

In 1960, Canada imported goods from Italy to the value of $42.8 million—an increase of $5.2 million over the previous year. These imports covered a wide range—in fact, more than 670 commodities, with the emphasis on food and wines, textiles, clothing, machines, automobiles and marble. Canadian exports to Italy, on the other hand, consisted of only 275 items.

Spain

The report on business conditions in Spain, delayed in transit, will appear in our July 17 issue.

Greece

Substantial earnings from invisibles compensated in 1960 for tra deficit and provided money for imports. Canadian exports reach a record $5.5 million; their composition reflected growth of Gre industry. Ratification of agreement for association of Greece w Common Market expected.

BRUCE A. MACDONALD, *Commercial Counsellor, Athens.*

ECONOMIC conditions and the business outlook in Greece continue to improve. If favourable conditions are sustained and the agreement for the country's association with the European Economic Community is ratified, the current year should show further substantial economic growth.

Last year agricultural production fell considerably below 1959. The Island of Crete suffered especially from pests, which affected the olive and sultana crops. Production of olives, olive oil, raisins, tobacco, wine, potatoes, table grapes, and fresh fruit decreased. On the other hand, production of oranges rose by 10 per cent, of currants by 16 per cent, and of cotton by 25 per cent.

The outlook for the current year's crops is favourable but it is too early for detailed forecasts.

One of Greece's problems is the fact that her exports do not begin to pay for her imports, as the figures of exports and imports during the past three calendar years demonstrate.

TABLE I

GREEK FOREIGN TRADE

	1958	1959	1960
	(in millions of U.S. dollars)		
Imports	542	470	520
Exports	243	212	208
Trade Deficit	299	258	312

Fortunately for those interested in selling to Greece, her ability to import does not depend solely or even mainly on her commercial exports. Despite the heavy deficit on current trade account, Greek holdings of gold and foreign e change actually increased in 19 by $52 million and in 1960 by $ million.

Offsetting Trade Deficit

The explanation is, of course, t substantial Greek earnings fro invisibles, the inflow of capital as result of the political and econom stability brought about by t present government, and grants a loans, mainly from the United Stat and West Germany.

Table II shows the country's ba ance of payments, in terms of U. dollars, in the past three calend years.

The debit of $16.6 million show in 1960 (item 4d) represents t first payment to the foreign shar holders of the Athens-Pirae Electricity Company, which t Greek Government Public Pow Corporation purchased in 1960.

The table reveals that in 196 foreign exchange earnings from i visibles ($213 million) actual exceeded earnings from commodi exports ($208 million). Gree officials and economists expre some anxiety about this situation. would appear, however, that earn ings under the main headings invisibles will continue and eve as for the tourist trade, for exampl increase substantially.

In 1960, some 47,000 Greeks le the country to settle abroad. Remi tances from Greek emigrants work ing overseas to their families home totalled $90 million in 196 —an all-time high. The large num ber of Greek workers now movin to employment in West German

TABLE II

GREEK BALANCE OF PAYMENTS

	1958	1959	1960
	(in millions of U.S. dollars)		
1. Foreign Trade			
Imports	542.0	470.2	520.4
Exports	243.1	212.1	208.4
Trade deficit	—298.9	—257.7	—312.0
2. Invisibles (net)			
a. Shipping	56.8	57.1	73.7
b. Tourist trade	19.2	24.3	29.4
c. NATO—infrastructure	13.3	10.6	15.5
d. Embassies—Missions	10.5	12.8	14.4
e. Other	— 1.3	3.6	—10.1
f. Emigrant remittances	76.6	88.6	90.4
	175.1	197.0	213.3
3. U.S. donations			
a. PL-480, Titles II & III	12.9	7.4	7.9
b. Technical assistance	0.7	0.6	0.7
	13.6	8.0	8.6
4. Private Capital (net)			
a. Investment under PL 2687	13.6	1.8	0.8
b. Other investment	30.1	53.5	44.5
c. Foreign suppliers' credits	21.3	— 4.5	7.8
d. Payment to APECO	0	0	—16.6
	65.0	50.8	36.5
5. Errors and omissions	— 4.2	2.3	2.1
Balance before U.S. aid, etc.	**—49.4**	**0.4**	**—51.5**
6. Official Financing			
a. U.S. assistance	29.9	46.4	47.6
b. European credits and grants	18.3	24.1	15.2
c. Repayments on government loans	— 4.6	—11.1	—12.0
d. IMF contribution		—15.0	
e. Non-convertible clearing & barter balances (— = increase)	—17.4	7.4	16.0
f. Gold and convertible assets (— = increase)	23.2	—52.3	—15.3
	49.4	— 0.4	51.5
Gold and convertible assets (in million of U.S. dollars)			
Beginning of period	175.5	152.3	204.6
End of period (Dec. 31)	152.3	204.6	219.9
Net change	—23.2	+52.3	+15.3

ould increase these remittances ibstantially in 1961.

Foreign exchange earned from iipping operating abroad reached 74.0 million in 1960 as against 57.0 million in 1959. With tonnage nder the Greek flag continuing to icrease (5,562,468 g.r.t. on March 1, 1961, vs. 3,784,753 g.r.t. the ime date last year) these earnings ill be maintained and will probably reach $100 million by the end of 1961.

If the tonnage (8,000,000 g.r.t.) of Greek-owned vessels still under foreign registry were added to that at present on Greek registry it is probable that the Greek merchant fleet would be the world's third largest.

Greece is now the most rapidly developing tourist attraction in Europe; 340,000 tourists came to Greece in 1960 as against 300,000 in 1959. Bookings are reported to be running 20/30 per cent higher this year. Earnings from visitors reached $51 million in 1960 as against $41 million in 1959.

Trade with Canada

Canadian exports to Greece reached a record in 1960, as Table III shows.

TABLE III

GREEK-CANADIAN TRADE

	1958	1959	1960
	(thousands of Canadian dollars)		
Exports to Greece	4,657	3,978	5,546
Imports from Greece	380	362	538
Balance in Canada's favour:	4,277	3,616	5,008

The main Canadian commodities moving to Greece, grouped into those with larger sales in 1960 over the two preceding years and those with smaller sales, are given in Tables IV and V.

TABLE IV

CANADIAN EXPORTS TO GREECE INCREASING IN 1960

	1958	1959	1960
	(Can.$'000)		
Aluminum ingots	460	594	1,079
Durum wheat			725
Flaxseed	338	537	588
Tires and tubes	395	507	503
Wood pulp	127		344
Fur scraps	201	160	298
Sheet and strip steel n.o.p.			227
Calf skins and kips raw	73	5	102
Copper tubing	25	26	94
Synthetic rubber			90
Milk powder	8	12	81
Fibre brick	13	37	72
Meats n.o.p. canned	3	2	58
Bookkeeping and calculating machinery	2	31	52
Synthetic fibres	30	25	51
Bolts and nuts	43	20	48
Asbestos milled fibres and shorts			41
Mining machinery and parts	6	19	40
Washing machines	26	13	28
Copper rods and strips		12	21
Asbestos brake linings and facings	17	13	21

TABLE V

CANADIAN EXPORTS TO GREECE DECREASING IN 1960

	1958	1959	1960
	(Can.$'000)		
Seed potatoes	207	606	125
Tallow and animal wax	211	23	86
Harvester combines	279	367	74
Dental, surgical and hospital equipment		55	54
Newsprint	196	48	42
Medicinal preparations	43	45	27
Whisky	48	26	26
Wheat flour	22	8	14
Sparkplugs	14	6	11
Polystyrene	39	16	2
Synthetic resins	18	16	
Lumber		5	

The very substantial increases in sales of some of the commodities listed above reflect the increasing industrialization and slowly rising purchasing power of Greece. Examples are aluminum ingots, copper tubing, wood pulp, and steel products.

The opening of an asbestos cement products factory in 1960 created for the first time a market in Greece for asbestos fibres, which Canadian producers were not slow in following up.

Canadian wheat, and visits by representatives of the Canadian Wheat Board, are appreciated by Greek Government officials and the grain trade, but supplies of other than durums are coming at present from the United States under PL-480 arrangements. When the Greek economy improves to the point where it is no longer dependent on foreign aid, it should present a substantial market for Canadian grain. Meanwhile our sales opportunities are confined to durums, of which $725,000 worth were purchased in 1960. An invitation to tender for 8,000 tons of durum was issued in April of this year but unfortunately Canada could not supply adequate quantities of the desired qualities.

The small sales of canned salmon ($17,000) and of wet salted cod ($4,000) in 1960 are reminders that Greeks are traditionally great lovers of fish and that their own waters do not supply their entire needs. Canned salmon is much appreciated but Canadian prices are now so high that only limited sales are possible. There is an important market for wet salted cod, provided it can be prepared in the way Greek buyers demand. This problem is being studied.

For some of the commodities listed in Table IV, there is hope that the down trend in 1960 will be temporary only. Examples are whisky (the rapidly expanding tourist traffic should eventually mean greater demand); seed potatoes (some 2,500 tons of Prince Edward Island and New Brunswick stock valued at $200,000 have been bought so far in 1961), and newsprint, the demand for which should grow with purchasing power.

Unfortunately, in certain other cases the outlook is not favourable. In May of this year the Dow Chemical Company began construction of Greece's first polystyrene plant. It is expected to be in production by February of 1962 and will be able to supply all domestic needs, estimated at about $1 million per year.

It seems likely that agricultural machines and implements will come to an increasing extent from the EEC countries, from the Eastern European countries under clearing agreements, or from growing domestic production.

A wide variety of new Canadian commodities, ranging from papermaker's felts to steam traps, have been and are being presented to the Greek market as a result of the Export Trade Promotion Conference in Ottawa last December. In some cases the results have been negative, usually because of high cost or protected local supply. But in many others, good possibilities have been unearthed which it is hoped will result in appreciable sales during the current year.

Canadian Imports from Greece

A persistent and disappointing feature of Canadian-Greek trade is that it runs at a ratio of ten or more to one in Canada's favour (
Table III).

The principal Greek commodi
moving into Canada in 1960 co
pared with 1958 and 1959
shown in table VI.

TABLE VI

CANADA'S PRINCIPAL IMPORT FROM GREECE

	1958	1959	19
	(in Canadian dollar		
Olives	61,139	52,966	88
Figs dried and fig paste	641	16,783	72
Olive oil	39,310	26,328	67
Brandy, wines and liqueurs	36,366	44,547	48
Marine sponges	36,729	41,001	52,
Tobacco	50,300	44,343	34,
Fur manufacturers n.o.p.	4,959	785	28,
Motion picture films	3,088	480	24,
Collections of antiquities	458		16,
Canned vegetables	8,060	8,972	7,
Resin			9,
Canned tomato paste	2,194	4,650	7,
Cheese	21,441	18,424	6,
Fruit pulp (strawberry)		4,834	5,
Phonograph records	601	250	5,
Cotton linters			4,

European Economic Communit

One of the main developments
1961 so far was the initialling
Brussels on March 30, 1961, aft
long and difficult negotiations, of
agreement for Greece's associati
with the EEC.

The agreement has not yet be
made public but it is known
provide, among other things,

- For the continued access, und
certain safeguards, of Greek expo
to the EEC countries. This is vital
important to Greece because abo
one half of her total exports ha
been going to those countries.

- For a transition period rangi
from 12 to 22 years during whi

Greece will have the right to adjust the progressive reduction of duties, or even to raise them or to apply new ones, in order to protect certain existing or new industries of major importance.

• For movement of workers between Greece and the EEC countries under regulations to be mutually agreed.

• That Greece shall receive from the EEC a 20-year loan equivalent to U.S. $125 million at exceptionally low rates of interest. The total amount may be drawn within the first five years. Up to two thirds of the amount may be devoted to economic infrastructure (e.g., road construction) and for such amounts the interest rates will be, it is understood, well under 4 per cent. Higher rates will apply to those amounts of the loan devoted to other purposes (e.g., industrial development).

The agreement is subject to ratification by the Governments of the Six and of Greece, but the hope is that ratification will take place without any substantial alterations in the initialled agreement and that this can come into effect on January 1, 1962, or shortly thereafter. ●

Import Liberalization in Europe

European Division, International Trade Relations Branch.

THE continuing economic prosperity in Western Europe during the past two years influenced favourably the trend towards further liberalization of foreign trade. In some countries the rate of liberalization increased greatly; in others, definite schedules were established for the gradual dismantling of the remaining import restrictions. Discrimination against imports from dollar countries has been removed almost completely. However, in the agricultural sector import controls were not relaxed appreciably and continue to hamper sales of certain goods of interest to Canada.

The progress achieved in individual countries is outlined in the following paragraphs.

AUSTRIA

An important step towards liberalization of imports from dollar countries was taken in July 1960, when the remaining discrimination favouring OEEC countries was removed and imports from both areas were put on the same level. Among the products that have been freed from import restrictions is a group of textiles, the import of which from Canada and the United States had previously been restricted. In addition, a small number of agricultural products were also liberalized. On the other hand, state control over trading in bread and food grains was extended; it will now apply to certain imports from OEEC countries that had previously enjoyed preferential treatment in relation to similar imports from the dollar countries.

It was recently announced that, effective July 1, 1961, Austria will extend the liberalization of imports from GATT countries—with the exception of Czechoslovakia, Cuba, and Japan—to approximately the same level as that which now applies to imports from the dollar area and OEEC.

*BENELUX

Under a common import policy, Benelux has liberalized most of its imports from OEEC countries and this liberalization has been extended to include Canada and the United States.

Two common Benelux import quota lists are in effect—List 1, applicable to Canada and most other countries, and List 2, which only applies to EEC countries. Licences for the import from third countries of commodities included in List 2 are issued only as internal market conditions require.

BELGIUM-LUXEMBOURG

Although import licences are required for some imports into Belgium and Luxembourg, they are granted freely for most imports. Restrictions apply chiefly to perishable agricultural products but also to some industrial goods. Generally speaking, the same treatment is accorded to dollar and to Western European countries, except for some quotas that are provided for EEC countries.

DENMARK

In line with the time-table adopted last year for the liberalization of additional commodities between January 1, 1961, and June 30, 1963, the Danish Ministry of Commerce has published a list of items which are now free from import restrictions. Imports of the principal commodities involved have an approximate annual value of 18 million Danish crowns ($2.6 million) and include fresh apricots, peaches, tomato juice, certain dried and canned fruits, rubber heels and soles,

*The Belgium-Luxembourg-Netherlands Economic Union.

non-electric lighting articles, electric generators, transformers, and converters.

In addition, the allocation of import licences for commodities subject to global quotas has been raised by $10 million for 1961. These increases apply mainly to semi-manufactures and equipment required by local industry, as well as to a few consumer goods such as chocolate, candy and honey. A new quota of $43,500 has also been established for canned fruit salad and fruit cocktail. From July 1, 1961, imports of "footwear with outer soles of leather or composition leather; footwear with outer soles of artificial plastic materials" will no longer require import permits.

The new measures bring Denmark's liberalization to a rate of more than 97 per cent of imports (1953 basis).

FINLAND

No great change has occurred in Finland's import regime since January 1960, when imports from Canada and the United States were placed on the same basis of liberalization as those from OEEC countries. This ended the discriminatory treatment that applied to some commodities from the dollar area.

A relaxation in import procedure was announced last April, when Finnish importers were no longer required to make a prior deposit of 10 per cent of the purchase price for imports still subject to licensing.

FRANCE

France began its import liberalization program at the beginning of 1959 and extended its list of freed commodities to the dollar countries in September, November and December of 1959, in April 1960, and in April 1961. Only a small proportion of French imports remain subject to restrictions.

Discrimination in favour of OEEC countries and against the dollar countries has been progressively reduced and now applies to only four items. Discriminatory restrictions in the industrial sector are to be removed before the end of 1961.

GREECE

For most imports into Greece, import permits are granted freely, provided the necessary foreign exchange is available. Import restrictions apply to certain luxury goods and also to agricultural products of importance to Canada, such as wheat, wheat flour, and seed potatoes.

The quota system for imports introduced by the Greek Government in April 1959 was abolished at the end of July 1960 by transferring certain commodities to Import List "A" and by liberalizing other items, including wood pulp. Commodities in List A require a special import licence. Products of interest to Canada included in this list are newsprint and lumber.

ITALY

On December 14, 1960, Italy extended the list of liberalized dollar imports. This measure affected so 104 tariff items and the Italian authorities indica that a further liberalization will be announced. the present time, discrimination between liberalizat applicable to dollar countries and to OEEC count affects only 33 items, mainly agricultural products.

Products of interest to Canada still under imp control from the dollar area but liberalized from OE countries include rye, canned fruits and vegetables, various chemicals. Wheat is under import control fr all sources.

THE NETHERLANDS

Since May 1960, the Netherlands has kept o 19 commodities under import control. The major p tion of this list consists of agricultural products it is being reduced as conditions permit. As fr April 1959 there has been no discrimination betw imports into the Netherlands from OEEC countr and the dollar countries.

NORWAY

Norway is on its way to removing about two thi of its remaining import restrictions on non-agricultu products. Toys, leather goods, and cleaned feathers bedding were freed on April 1, 1961, and a wi measure of liberalization involving many food articl paints and varnishes, raw materials for the soap indu try, paper products, and various consumer goods w introduced on May 1. Other products such as fertiliz are scheduled to become free on July 1 of this year.

A further liberalization of foodstuffs is planned f January 1, 1962, by which time import restrictions w be limited mainly to ships, aircraft, television receive coffee, sugar, some vegetable oils, and alcoho beverages.

There remain, however, four government monopol directly concerned with foreign trade. The state gra corporation has the exclusive right to import whe rye, barley, oats, and feed for cattle; the wine mono oly is the sole importer of alcoholic beverages; the sta medicinal depot is responsible for the import an wholesale distribution of medicines and drugs, and t state fishing gear import agency is entrusted wi importing all fishing gear and raw materials for production.

PORTUGAL

No major liberalization measures have been intr duced since January 1960, when imports from Cana and the U.S. were placed on the same basis as tho from OEEC countries. A number of foodstuffs an a wide range of consumer goods remain subject import control from all sources.

SPAIN

On March 20, 1961, Spain announced a further extension of its list of liberalized imports from Western Europe, Canada, and the United States. This follows the liberalization procedures adopted on Spain's accession to the OEEC in July 1959. Other imports are admitted under global quotas applicable to the same countries. By April 1961 it was estimated that only 4 per cent of Spain's import trade was being conducted under bilateral trading arrangements. Some importing is carried on under monopoly state-trading arrangements.

SWEDEN

The high level of liberalization reached last year leaves only a few items under import control—mainly fish and agricultural products. Imports of automobiles and their parts for assembly are restricted, but licences are freely granted in most cases.

SWITZERLAND

The protection of domestic agricultural products through import control (state trading) remains unchanged.

Effective January 1961, a number of articles in the industrial sector that previously required import permits were liberalized. Items freed from import restrictions include certain ceramics and glassware, jewellery, some products of iron and steel, copper, wolfram, molybdenum, space heating stoves and kitchen ranges, knives, cutting and razor blades, and piston engines for tractors.

Import permits are still required on a limited range of non-agricultural goods but such licences are, in most cases, granted freely.

WEST GERMANY

On January 1, 1961, West Germany took the most recent of several steps in removing restrictions on imports from dollar countries. Under a three-year GATT waiver accorded to West Germany in 1959, certain products may remain under import restriction but others are to be liberalized on specified dates. Commodities under control are largely agricultural. A number of industrial products of interest to Canada, including aluminum and synthetic rubber, were liberalized on July 1, 1960.

Licences for most of the restricted agricultural products of interest to Canada have been granted relatively freely. However, there is some discrimination in favour of certain agricultural commodities from countries with which West Germany has bilateral trading agreements.

FOREIGN TARIFFS AND TRADE REGULATIONS

Australia

TARIFF BOARD INQUIRIES—The Australian Minister for Trade has referred the following items to the Tariff Board for inquiry and report to determine whether assistance should be accorded their production in Australia and, if so, what rates of duty should be provided for in the Australian Customs Tariff.

Lactose
Ballpoint pens and pencils and parts (including refills)
Synergists for pyrethrum-based insecticides
Bolt cutters

Hearings on bolt cutters will be held in Melbourne on July 12, and in Sydney on August 4. No dates have been set for hearings on the other items. Any firm wishing to make representations before the Tariff Board should contact the Commonwealth Division, International Trade Relations Branch, Ottawa.

Brazil

SPECIAL CATEGORY EXCHANGE AUCTIONS MODIFIED—Our Commercial Secretary in Rio de Janeiro reports that the Brazilian exchange control authorities have further defined the regulations re-establishing the Special Category exchange auctions. Of the $180,000 which will be allocated every week for Special Category imports, it has now been announced that only $70,000 will be for convertible currencies such as U.S. and Canadian dollars. The remaining $110,000 a week will be allocated for Special Category purchases from countries with which Brazil has special bilateral trading agreements.

At the first Special Category exchange auction held in Rio de Janeiro since the suspension last January, the effective exchange rate for Special Category imports from convertible currency countries rose to over 1,300 cruzeiros to the dollar. Prior to suspension of Special Category exchange auctions last January, the Special

Category exchange rate was approximately 640 cruzeiros to the dollar.

Colombia

PRIOR DEPOSITS REDUCED—The Canadian Commercial Secretary in Bogota reports that, by Resolution No. 23, the Central Bank of Colombia has reduced the prior deposit requirements for a wide range of goods as follows:

(a) those previously 130 per cent have been reduced to 100 per cent
(b) those previously 100 per cent have been reduced to 75 per cent
(c) those previously 65 per cent have been reduced to 50 per cent

Imports into Colombia are now subject to a prior deposit of either 1, 5, 20, 50, 75, 100, or 500 per cent, depending upon classification, with most goods falling into the 20 to 100 per cent bracket. These deposits must be paid by the importer upon application for an import licence and will be returned to him 45 days after the goods are cleared through customs.

El Salvador

FOREIGN EXCHANGE CONTROL ESTABLISHED —H. E. Lemieux, the Canadian Government Trade Commissioner responsible for El Salvador, advises that a Salvadorean decree, effective April 21, 1961, contains provisions for import licensing and foreign exchange control. The principal emphasis of the exchange regulations is on preventing a flight of capital abroad and on controlling the foreign exchange gained through exports. There are practically no restrictions on imports but they must be previously authorized by the Exchange Control Department of the Ministry of Economy.

India

REVISED MERCHANDISE MARKS REGULATIONS—The Indian Government has revised its Merchandise Marks Regulations requiring indication of the country of manufacture on imported goods. The revised regulations will become effective July 1, 1961, except for cigarettes on which they will not apply until December 1, 1961. The revised regulations specify that the origin of the goods should be indicated in large and conspicuous letters, and establish a minimum size for the lettering.

Copies of the revised regulations may be obtained from the International Trade Relations Branch.

Iran

IMPORT OF SPECIFIED COMMODITIES RESTRICTED—To meet the deteriorating foreign exchange position, the Government of Iran announced that effective June 2, 1961, foreign exchange will no longer be made available for a number of luxury and semi-luxury goods. Commodities included in this schedule of prohibited goods are automobiles, foreign liqueurs, cigarettes, cosmetics, refrigerators, certa textiles, television sets, expensive radios, washi machines, central heating equipment.

The complete schedule of goods for which forei exchange will not be available may be obtained fro the Asia and Middle East Division, International Tra Relations Branch.

FOREIGN EXCHANGE REGULATIONS TIGH ENED—In a cablegram dated June 5, A. B. Brodi Canadian Commercial Counsellor in Tehran, advis that the Central Bank of Iran has issued importa new foreign exchange measures. Under the new reg lations, all letters of credit have been frozen to allo the country to take stock of its foreign exchan position. The new regulations also introduce a lengtl list of luxury products for which foreign exchan will not now be available, including washing machine household refrigerators, spirits, automobiles, centr heating equipment, and other commodities.

Detailed information regarding the new restrictio and the complete schedule of prohibited goods will available shortly.

Venezuela

IMPORT REGULATIONS FOR SOFT WOOD (PINE AND PITCH PINE)—The *Official Gazett* No. 26,563, May 27, 1961, published a decr issued by the Minister of Finance and Developme which places imports of soft lumber (pine and pitc pine) under compulsory import licensing. The decre went into effect on the date of publication, but it wi not be enforced for shipments whose consular invoi dates are prior to May 28, 1961—Caracas.

United States

IMPORT TAX ON TOLUENE AND XYLENES— The Bureau of Customs published in the *Feder Register* of May 2, 1961, (26 FR 3786), notice that had under review the existing practice of classifyin toluene and xylene of petroleum origin as being fre of import tax. The Bureau, by letter dated June 5, 1961 addressed to the Collector of Customs, Detroit, Michi gan, held that this merchandise is property subject t import tax under section 4521(1), Internal Revenu Code, 1954, as modified, as liquid derivatives of crud petroleum at the reduced rate of ¼ cent per gallon (fu rate is ½ cent per gallon).

Inasmuch as this decision results in the assessmen of import tax on products which have heretofore bee passed free of import tax under a uniform and estab lished practice, it shall be applied only to such c similar merchandise entered, or withdrawn from ware house, for consumption 90 days after the date of pub lication of an abstract of this decision in the *Weekl Treasury Decisions.*

TRADE COMMISSIONERS ON TOUR


F. B. Clark


M. R. M. Dale


W. Jones


D. B. Laughton

Canada

B. CLARK, Commercial Secretary in Mexico City:

Vancouver—July 3-7

When he completes his tour and home leave, Mr. Clark will urn to Mexico City.

R. M. DALE, Trade Commissioner in Cape Town, South rica:

terborough—July 3	Quebec City—July 21
tawa—July 4-14	Montreal—July 24-28
ontreal—July 17-28	Fort William—Aug. 4
anby, Richmond—July 19	Vancouver, Victoria—Aug. 7-22
etford Mines—July 30	

When he completes his tour and home leave, Mr. Dale will urn to Capetown.

JONES, Commercial Counsellor in Rio de Janeiro, Brazil:

ontreal—July 4	Oakville, Hamilton—July 17
aitland, Kingston, Belleville—July 5	Welland, Jerseyville, Brantford—July 18
terborough—July 6	Galt, Woodstock—July 19
rt Hope—July 7	London, Sarnia—July 20
ronto—July 10-14	Goderich—July 21

When he completes his tour and home leave, Mr. Jones will urn to Rio de Janeiro.

B. LAUGHTON, Agricultural Secretary in London, gland:

nnipeg—July 5-7	Calgary—July 20
gina—July 11-12	Vancouver—July 24-26
skatoon—July 13-14	Victoria—July 28
monton—July 17-18	Kelowna—Aug. 1-2

Because Mr. Laughton is concerned only with agriculture d fisheries, he will use special headquarters in some of the ies he visits. These are: Regina, Deputy Minister's office, skatchewan Department of Agriculture; Saskatoon, Saskaton Co-operative Ltd.; Kelowna, B.C., Tree Fruits Ltd.

When he completes his tour, Mr. Laughton will take home lve and then return to London.

Businessmen who wish to see these officers should get in ich with the Board of Trade or Chamber of Commerce in cities mentioned, with the following exceptions. In Toronto, nnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

J. H. BAILEY, Commercial Secretary in Bogota, Colombia, will visit Cartagena and Barranquilla for the week beginning July 20.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Durban from July 10-14, Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

C. M. KERR, Assistant Commercial Secretary in Tokyo, Japan, will visit Sapporo from July 3-6.

E. H. MAGUIRE, Trade Commissioner in Singapore, will visit Kuala Lumpur, Port Swettenham, Ipoh, Penang, and possibly Malacca in the Federation of Malaya from July 24-29.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown, British Guiana, from July 14-17.

M. S. STRONG, Commercial Secretary in Rome, Italy, will visit Malta from July 2-8.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from July 17-19, and Prague, Czechoslovakia, from July 26-28.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from July 10-21.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey at Bogota, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gallow at Johannesburg, Mr. Kerr at Tokyo, Mr. Maguire at Singapore, Mr. Richardson at Port-of-Spain, Mr. Strong at Rome, and Mr. Wallace at Caracas.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.0000.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 19	Units per Canadian dollar	Notes (See below
Argentina	Peso	Free	.01213	82.44	
Austria	Schilling		.03836	26.07	
Australia	Pound		2.2313	.4482	
Bahamas	Pound		2.7891	.3585	
Belgium and Luxembourg	Franc		.02003	49.92	
Bermuda	Pound		2.7891	.3585	
Bolivia	Boliviano	Free	.00008510	11,750.88	
British Guiana	Dollar		.5811	1.72	
British Honduras	Dollar		.6998	1.43	
Brazil	Cruzeiro	Free	.003883	257.53	
		Special Category	†	†	
Burma	Kyat		.2100	4.76	
Ceylon	Rupee		.2092	4.78	
Chile	Escudo	Free	.9506	1.05	
Colombia	Peso	Certificate	.1493	6.70	
Congo, Republic of	Franc		.02003	49.92	
Costa Rica	Colon	Official	.1781	5.61	
		Controlled free	.1504	6.65	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1389	7.20	
Denmark	Krone		.1443	6.93	
Dominican Republic	Peso		1.0000	1.00	
Ecuador	Sucre	Official	.06667	15.00	
		Free	.05700	17.54	
Egyptian Region, United Arab Rep.	Pound	Official	2.8716	.3482	
El Salvador	Colon		.4000	2.50	
Fiji	Pound		2.5127	.3980	
Finland	Markka		.003125	320.00	
France, Monaco, etc.	New Franc		.2041	4.90	
Franco-African Republics, etc.	Franc		.004082	245.98	
French Pacific	Franc		.01123	89.05	
Germany	D Mark		.2518	3.97	
Ghana	Pound		2.7891	.3585	
Greece	Drachma		.03333	30.00	
Guatemala	Quetzal		1.0000	1.00	
Haiti	Gourde		.2000	5.00	
Honduras	Lempira		.5000	2.00	
Hong Kong	Dollar	Free*	.1732	5.7725	*Jun
		Official	.1743	5.74	
Iceland	Krona	Official	.02632	37.99	
India	Rupee		.2092	4.78	
Indonesia	Rupiah	Official	.02222	45.00	
Iran	Rial		.013201	75.75	
Iraq	Dinar		2.800	.3571	
Ireland	Pound		2.7891	.3581	
Israel	Pound		.5556	1.80	
Italy	Lira		.001612	620.35	
Japan	Yen		.002778	359.97	

*Latest available quotation date.

†Exchange auctions will be held each week.

‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

Country	Unit	Type of Exchange	Can. dollar equivalent June 19	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3180	3.14	
Mexico	Peso		.08000	12.50	
Morocco	Dirham		.2000	5.00	
Netherlands	Florin		.2782	3.59	
Netherlands Antilles	Florin		.5303	1.88	
New Zealand	Pound		2.7891	.3585	
Nicaragua	Cordoba	Effective buying	.1515	6.60	
		Official selling	.1418	7.05	
Nigeria	Pound		2.7891	.3585	
Norway	Krone		.1395	7.17	
Pakistan	Rupee		.2092	4.78	
Panama	Balboa		1.0000	1.00	
Paraguay	Guarani	Official	.007905	126.50	
Peru	Sol		.03729	26.82	
Philippines	Peso	Free	.3333	3.00	
		Official	.5000	2.00	
Portugal & Colonies	Escudo		.0349	28.65	(6)
Singapore and Malaya	Straits Dollar		.3254	3.07	
Spain and Dependencies	Peseta		.01667	60.00	
Sweden	Krona		.1935	5.17	
Switzerland	Franc		.2314	4.32	
Syrian Region, United Arab Rep.	Pound	Free	.2793	3.58	
Thailand	Baht	Free	.04730	21.14	(5)
Tunisia	Dinar		2.4000	.4167	
Turkey	Lira		.1111	9.00	(5)
Union of South Africa	Rand		1.3946	.7170	
United Kingdom	Pound		2.7891	.3585	
United States	Dollar		1.0000	1.00	
Uruguay	Peso	Free	.09066	11.03	(7)
Venezuela	Bolivar	Official	.2985	3.35	(8)
West Indies Fed.	Dollar		.5811	1.72	(9)
	Pound		2.7891	.3585	(10)
Yugoslavia	Dinar	Official	.001333	750.19	

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
3. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
4. New Caledonia, New Hebrides, French Polynesia.
5. Additional rates are in effect.
6. Portugal: approximately same rate for Portuguese territories in Africa.
7. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
8. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
9. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
10. Jamaica.

Canada in European Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Switzerland—At 10,880 feet, in sight of the Matterhorn, a Canadian muskeg tractor ends a 30-minute run which began at the end of a ski-lift 9,350 feet up. The tractors are used by a Swiss transport service operated for skiers at Zermatt.

In Denmark—At the port of Aalborg in North Jutland stevedores move Canadian asbestos from ship to importer's truck.

In Austria—Canadian deep freezers have found a market he[re] in Vienna the Canadian Commercial Counsellor (left) and t[he] manufacturer's Austrian agent (right) inspect newly-arrived un[its]

In France—The Hon. Leslie M. Frost, Premier of Ontar[io] (centre) and Mrs. Frost, and Serge Bester, President, Salon d[es] Industries de la Fourrure, Paris (right), are welcomed to t[he] Canadian stand at the Paris Fur Salon by W. M. Ritch[ie,] Canada Department of Agriculture, (left), and A. G. Kn[...] wasser, Commercial Counsellor for Canada (second from le[ft]

Have Your Cake and Eat It Too

Defy *them*: *they* always say you can't and you shouldn't. Go ahead, buy two cakes—one to look at and one to slice up.

This reminds us of FOREIGN TRADE. (No matter how far we have to reach, we always get back to FOREIGN TRADE.)

Some of our readers have a problem. They want to keep each issue of FOREIGN TRADE intact. They also want to tear out certain articles and file them for quick reference.

What to do? For them we have the same defiant advice. Go ahead, buy two FOREIGN TRADE's—one to look at and one to slice up.

Brazil Is Solving Exchange Problem (page two)

GSW Goes After Export Trade (page five)

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
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OTTAWA

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COMING——HOW TO SELL IN SINGAPORE, IN JULY 29 ISSUE

WILLIAM JONES,
Commercial Counsellor,
Rio de Janeiro.

Brazil Is Solving Exchange Problem

What arrangements has Brazil made to overcome its serious financial problems, particularly the shortage of foreign exchange? How will the steps taken affect Canadian exports? The author, who is now on tour in Canada, discusses these important questions.

BRAZIL until a few weeks ago was on the edge of a financial abyss, at least in its foreign exchange position. This foreign exchange problem was a legacy from the previous Administration to the present one, which took office on January 31 of this year. Basically, it resulted from an industrialization and development program undertaken by the previous government and financed in large degree by inflationary issues of money internally and by government borrowings and approval of private borrowings from sources both within the country and abroad.

When the new Government took office, it estimated that Brazil would be required to pay during its five-year term approximately $2 billion to meet the country's commitments, out of a total external debt of $3.802 billion. Of this, approximately $600 million (50 per cent of the Brazilian foreign exchange earnings at the current rate) must be paid during this fiscal year. Payments of this order, of course, appeared to even the most casual observer to be patently impossible, even if the Administration took drastic austerity measures. Such measures would have lowered the rate of development and production and the standard of living tremendously. It would also have prevented the import of many of the basic materials essential to production of a large portion the goods which are exported a earn foreign exchange or sa money by replacing imports. T result would probably have be a breakdown of the economy.

There appeared to be two cour that the Administration could pu sue. One was refusing to acce responsibility for the debts incurr by the previous government declaring a moratorium. The oth was the solution that it chose— obtain agreement to a stretch-o of the payment period for amoun due to its U.S. and European c ditors, and to return to the go graces of the International Mon tary Fund which, until correcti measures had been taken, appa ently was unprepared to stretch o payments due and extend stand credits to Brazil to meet curre commitments.

Currency Auctions Suspended

The new Administration on a suming office immediately su pended the currency auctions which foreign exchange for impor was sold. It did not resume suppl ing import documents until aft March 13, when it issued SUMO Instruction No. 204. This instru tion, of major importance, was th first concrete step taken since th Customs Tariff Law of 1957 t wards simplification and unificati of the exchange rates. It provid for the purchase of the forei exchange necessary for private im porters in the free market, th taking the first step toward unif ing the multiple foreign exchan rates under which foreign trade h been carried on over the past fe years. It also raised the fixed ra of exchange applicable to privileg imports (petroleum, equipment f production of petroleum, fertilize insecticides, wheat, printing pap and newsprint, books and machi ery for printing newspapers) fro Cr.$100 to Cr.$200 per U.S. doll or equivalent in other currencie Equally important, it announced i

ntention to eliminate this priv-
eged rate during the second half
f this year.

The same regulations limited the mount of foreign exchange that ould be purchased by any one ompany for imports during any eek to $20,000* and required that uch importers, in addition to pur-hasing the foreign exchange in the pen market, deposit the equivalent mount of cruzeiros with the Bank f Brazil—which means that im-orters have to tie up funds to wice the value of the imports. Con-equently these moves increased the ost of foreign exchange for imports y approximately 25 per cent by ne end of March.

In addition, the Instruction re-uired that when forward exchange as contracted for, it had to be aid for within 180 days. This ipulation served two purposes. irst, it tended to discourage im-orters from rushing to purchase xchange (they had been denied ccess to such exchange for about x weeks) which would have aused a much bigger drop in the arket value of the cruzeiro than ctually occurred. Second, by put-ng a damper on import activities gave the exchange authorities a eriod of grace to complete their egotiations with foreign creditors n bolstering their reserves, while aintaining a semblance of nor-alcy within which essential trans-ctions could continue with the ender resources available.

Build-up of Brazilian industry has meant heavy imports of capital goods, contributed to foreign exchange shortage. Industrial progress is demonstrated by this picture of steel rails for the country's railways, turned out at Volta Redonda steel mill.

lew Credits Obtained

About the middle of May, much o the relief of everyone concerned, ne U.S. Government and the In-ernational Monetary Fund, after egotiating with the Brazilian nancial authorities, announced a lan for the solution of Brazil's oreign exchange problems. Be-ween the U.S. Government and the und, new credits to the amount f $498 million ($338 million from he U.S. Government and $160 illion from the Fund) will be ade available. Equally important, the agreement provided for a rescheduling of the period for payment of approximately $305 million due to the U.S. Export-Import Bank—a period of 20 years —and the rescheduling of payments of about $140 million due to the IMF.

Negotiations with the U.S. private banks (to which this country is committed to repay $114 million during the next few years) and with European and other creditor countries to which Brazil owes approximately $1.1 billion (and from which she hopes to obtain stretch-outs and new credits of approximately $550 million), depended to a large degree on obtaining approval of Brazil's international financial policy from the IMF. This agreement thus constituted an important step toward the rational solution of the over-all problem.

Trade Agreements Sought

Meanwhile, the Brazilian Government has, by means of a mission to Eastern European countries, vigorously pursued trade and economic agreements with them with a view to selling its surplus products, such as coffee and sugar, which it cannot because of international

*Since increased to $50,000.

agreements dispose of elsewhere, obtaining in return such essentials as oil and wheat that it might otherwise have to pay for in dollars.

Within Brazil there has been both criticism and support of this policy of pursuing closer trade relations with Eastern European countries. However, the criticism has normally been based on political grounds, for from the Brazilian point of view, the only possible conclusion is that the policy makes good sense economically. It remains to be seen whether it will be as successful as the Brazilian Government hopes. Nevertheless, press reports announce the reaching of agreements with Rumania for an exchange of goods valued at between $440 and $600 million over the next five years and including a dollar loan of $50 million, and with Yugoslavia for $230 million and including a line of credit for machinery and supplies to a value of $120 million. Meanwhile, negotiations with other countries, including the U.S.S.R., are continuing and agreements may be announced by the time this is published.

The Government has also taken other steps. One of the problems facing it was the securing of a supply of wheat for the rest of the year and avoiding if possible the payment of foreign exchange for it. Accordingly, negotiations with the United States for a supply from surplus stocks were reinitiated. These culminated in an accord signed on May 4 whereby one million tons of U.S. wheat, valued at approximately $70 million, will be supplied to Brazil during the remainder of the year. The importance of this is underlined by the fact that wheat imports during 1960, although they also were obtained without paying out foreign exchange, were valued at approximately 10 per cent of total imports during the year. Meanwhile, a Commission appointed by the President has initiated a study of ways and means of increasing the Brazilian wheat crop; substituting other flours, such as soya bean, manioc and buckwheat, for wheat flour, and finding alternative and acceptable foods to bread, if possible. Some wheat is also being obtained from the U.S.S.R.

Other Measures

Measures have been and continue to be adopted to remove some of the impediments to exports, stemming from a multiplicity of regulations and a bewildering variety of official bodies which had to approve an export. At the same time, as part of the program of encouraging exports, the returns from all of them (with the exception of coffee, which accounts for more than 60 per cent of this country's foreign exchange earnings from exports) were made convertible into cruzeiros at the free market rate. This has, as indicated above, increased the return in cruzeiros for each dollar sold in it by over 25 per cent. A previously unused provision for the drawback of customs duties paid on imported articles incorporated into an exported one has been put into effect and the regulations governing the procedure to be followed have been drafted. This drawback provision is expected to provide a further incentive to producers of semi-manufactured and manufactured goods within the country who have not previously exported to seek foreign markets.

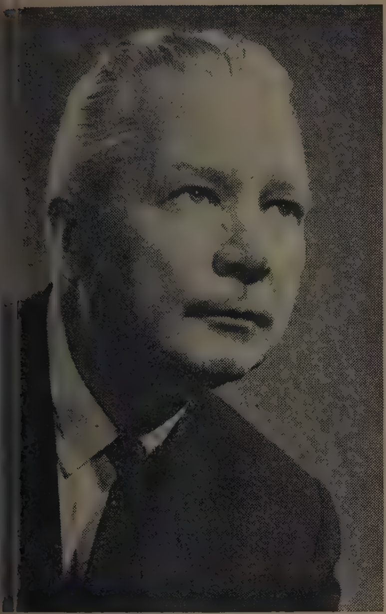
The Brazilian Government has also obtained an annual U.S. sugar import quota of 225,000 tons, compared with the former quota of 110,000. Because a U.S. sugar quota permits the sale of sugar to that country at almost twice the world market price, the quota increase will bring Brazil about $25 or $30 million in additional foreign exchange. As one of the world's largest sugar producers, the country can easily handle this additional export volume and the achievement of this objective is, therefore, of major importance.

From the point of view of the observer in Brazil, all of the above, plus a large number of other ac tions by the new Administratio add up to a program both pol tically adept and economically def As yet, the new Administratio does not appear to have made an major economic blunders and ha pursued its objective of creating financially sound and economicall viable society with courage, per tinacity and consistency.

Implications for Canadians

What does all this mean to Cana dian exporters to Brazil? It ma be that, in the short run, sales c our traditional basic raw material will decline. It is also possibl however, that with renewed con fidence in the financial future c the country, investment in new in dustries will continue at a rapi pace and we will find outlets fo new raw materials (such as basi chemicals) not previously availabl here.

Brazil has not been a market fo Canadian consumer goods for som time and this may hold true in th foreseeable future. However, it ma well be that Canada can suppl industrial plant and equipmen which we have not previously bee able to sell Brazil in the face o the extended credit terms offere by suppliers in other countries. Th larger and more complicated type of hydroelectric generating equip ment are an example. The hydro electric resources of Brazil hav many years of development ahea of them and contracts to supply th equipment are open for competitio from any firms that can offer th requisite financing. Moreover, onc the foreign exchange problem ha been completely solved, the Bra zilian authorities will probably re lax the restrictions on imports o all kinds. This will not, however happen for some time. In the shor term, Canadians should look t Brazil as a continuing market fo raw materials and as a potentia market for increased quantities o our basic chemicals and for heav equipment that we can produce i competition with other suppliers.



S.J. RANDALL,
President and Managing Director,
General Steel Wares Limited.

As told to O. Mary Hill.

"YOU can't do business out of an empty wagon." This pithy saying I call rule one in campaigning for export markets, especially for consumer goods. At General Steel Wares we began our search for foreign customers about two years ago by shipping our wringer and automatic washers and clothes dryers down to Trinidad for display at the Canadian Trade Fair in Port-of-Spain. When we wanted to crack the British market, we took space at the important Ideal Home Show and exhibited many of our appliances. I like trade fairs, because they are one of the best ways of carrying out rule one and of learning quickly what foreign customers like or dislike about your products.

Analyze the Market

When the Trinidad Fair opened in February 1959 I flew down, because products don't sell themselves and I wanted to put rule two into practice. Put colloquially it's this: "Case the joint." By this I mean: "Analyze the situation." Find out the tastes and preferences in a foreign market and how your products can cater to them. Look into methods of selling; they may be different from the techniques used at home. Talk to prospective customers; get the feel of the market. Store up all this information, because you'll sure need it!

Rule two worked well for us in Trinidad. After some poking around in Port-of-Spain, I decided that the Port-of-Spain Electricity Board and the Trinidad Electricity Board (since amalgamated) could best handle the sales of our washers and dryers. I appeared before these Boards and made my sales pitch, outlining what GSW was prepared to do if they became our exclusive representatives in Trinidad. We offered to help them arrange effective displays and prepare advertising, and to train staff in servicing our appliances. I myself spent some time with the manager of the service department, going over designs and drawings. We supplied servicing catalogues and offered to train technicians in our plant. Did it pay? Last year we sold over $50,000 worth of appliances in Trinidad.

Adapt Your Product

My experience in the West Indies convinced me of the soundness of rule three—be ready to adapt your product to the demands of a particular market. Before we started selling refrigerators in Jamaica and Trinidad, the distributors reported that in the hot and humid climate rust was appearing around the door handles of refrigerators made by some of our competitors. We put refrigerators shipped to tropical countries through a rustproofing

GSW Goes After Export Trade

General Steel Wares plunged into export selling in the spring of 1959, when the company displayed some of its appliances at Trinidad's Canadian Trade Fair. Since then, using enterprise and imagination, it has boosted its export sales by over 400 per cent. What is its recipe for success? Its energetic president supplies the answer.

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process and give them an extra coat of paint. This has paid off in another market. Last summer we did some sales promotion in Bermuda. A dealer there told us he had given up handling Canadian refrigerators because they rusted—but we convinced him GSW had this problem licked. Now he's doing a good business for us.

Sometimes adapting a product to foreign tastes or specifications is much more complicated and costly. We discovered this in the market we tackled next—the United Kingdom. When we entered the Ideal Home Exhibition in London in March 1960, we took over our washers, dryers, refrigerators, and warm-air furnaces (both gas and oil). Visitors to the exhibition were so enthusiastic about our appliances that we soon set about the next step—getting these tested and approved by the British Electricity Board and the Gas Board. Working out an agreement with the Boards takes time and patience; the chief engineer of our Appliances Division went to London this spring to demonstrate to them that our gas furnace, range and clothes dryer were up to their standards. We have already made certain changes these authorities suggested, such as special valves for the washers and a porcelain-coated heat exchanger on our gas furnaces.

Sometimes we have to adapt our appliances not to foreign standards but to foreign customs. The Dutch housewife, for example, likes to soak her laundry in cold water before she washes it. When we opened our coin-laundry store in Holland, we adapted the timer on our automatic washing machines to allow for this traditional practice.

Occasionally the situation is reversed—and we must persuade the customer to do some adapting so that he can use our product. British homes are usually built without basements and house plans must be modified to create space to install a furnace; the walls must be designed differently to take the ductwork. To make headway in selling our furnaces, we have to spend time in our trips to Britain calling on the large contractors and selling them on the idea of central heating.

Get Close to Customers

Rule four applies to selling both at home and abroad—but it's a bit harder to put into practice in a foreign country. It's this: don't l[et] too many people stand between y[ou] and the customer. That's the gre[at] virtue of trade fairs as a means [of] testing a market: you get opinio[ns] on your product straight from th[e] horse's mouth. Plenty of peop[le] told me our refrigerators were to[o] big to appeal to the British, and [as] for furnaces, what Englishma[n] really wanted central heating! B[ut] once over there, I found the Briti[sh] keen to buy something new, diffe[r]ent, and North American—like o[ur] refrigerator—and convinced th[at] Canada offered North Americ[an] design plus British quality. We no[w] foresee a good demand for o[ur] furnaces.

By the word "you" in rule fou[r] I don't mean just the expo[rt] manager and his staff. I mean to[p] management too. The first step f[or] a Canadian company to take if [it] is serious about exporting is to se[n]

At the big Hardware Show in Olympia, London, last fall, GSW's exhibit of housewares attracted eager buyers. They showed particular interest in the barbecues and picnic equipment in the foreground; some of the barbecues went to a French distributor.

The opening of Britain's first fully automatic coin laundry at Walthamstow last March was staged with due ceremony. Picture shows Mrs. Baldwin, wife of the Mayor of Walthamstow, admiring the McClary-Easy washing machines, while B. C. Butler, Canada's Minister (Commercial) London, (centre) and her husband the Mayor look on.

some of its top executives on a fact-finding tour. Expose them to foreign markets; let them find out what it takes to make headway abroad. If they come back enthusiastic about prospects, their enthusiasm will rub off on others. They can carry through adaptations and speed up deliveries; they can give the export department status.

Don't leave all the selling to the representatives you select abroad. Last summer our export manager travelled through the West Indies, visiting large islands and small. Result: he sold almost $50,000 of major appliances, pots, pans and general housewares. Last fall we entered the Hardware Show at Olympia, London, displaying our complete line of housewares. We found customers for stainless steel cookware, picnic equipment, TV trays, office wastepaper baskets, and for over 2,000 barbecues—some of which we sold to a French distributor. And in addition, we had a look at what competitors offered.

Find "Hungry" Dealer

Rule five—when you are looking for a representative in a foreign country, find one who is hungry. He's the man who will get out and hustle for business. In Jamaica, after calling on a number of dealers, I found a Syrian gentleman who was expecting to open a larger store in a few months and was keen to take on the GSW line. He turned out to be a good choice, as many of that country's most successful businessmen are Syrians. We prefer to deal with a stocking distributor; he has already made an investment in our product and he will promote sales aggressively.

Study Needs

Rule six is fundamental to any selling—find a need and cater to it. Observing life in Britain and particularly British houses, usually cramped for space and without basements, I decided that fully automatic coin-operated laundries, open 24 hours a day, would fill a need for the British housewife. After a long search, we picked Walthamstow, a London suburb, as the site for our first fully automatic coin laundry—and the first of this type in Britain. We made the opening a real occasion, complete with champagne. The Canadian Minister (Commercial) in the U.K., B. C. Butler, was on hand and a chartered bus brought in about twenty newsmen from Fleet Street. The BBC filmed the line-up of women waiting to do their first washing and ran the film on the TV. A month later, we opened a second laundry in Glasgow; soon we shall have nine operating in the U.K., including four in Scotland. Recently we arranged a distributorship for our automatic washers in the Netherlands and our first Dutch coin laundry opened in the first week of May; another in Johannesburg, South Africa, will soon be in operation.

Be a Salesman

Rule seven probably belongs at the beginning rather than the end of these "musts" for export success. It's this: always remember the need for salesmanship. Naturally, your sales pitch may change as you try your luck in different countries; in some, it should be in a lower key. In general, in selling manufactured goods in Europe I recommend this approach. Tell your prospect you are offering him something he's never seen before—and that it's well worth a slightly higher price. Take refrigerators, for example. Our 10 cubic foot model offers not only more space than the British 5 cubic foot but several special features—and it costs little more.

Tackling Problems

In writing down my recipe for export success, I don't want to imply that export trade does not have any problems. It has—and they must be tackled head on. When I

make speeches about Canadians showing more enterprise in foreign trade, sooner or later someone complains that our high production costs make our consumer goods uncompetitive in many foreign markets and that's that. My answer is the would-be exporter can usually do something about these costs. It's not his problem only; his suppliers have a share in it and should help in solving it. I have put it up to the companies that supply GSW with components—such as valves and timers for our washing machines—that they must keep their manufacturing costs down too, so we can price our merchandise realistically for overseas selling. After all, General Steel Wares in effect is pioneering a foreign market for them for free. Why should they add on cost premiums?

Another problem we face constantly is getting our merchandise delivered to the foreign distributor undamaged and at the lowest possible cost. Occasionally our appliances get dropped on a foreign dock so hard they are only fit for scrap. This problem—and that of obtaining good shipping service generally—is particularly acute in selling to the West Indies. I feel personally some of these difficulties may disappear when air freight comes into more general use. The savings in damage during unloading, in insurance, and in the cost of keeping large inventory stocks will, I think, compensate for the greater expense of shipping by air.

The third problem, especially in selling household appliances, is arranging for efficient servicing and the handling of complaints. If you balk at spending money to keep your customers happy, you risk jeopardizing your market. Take our experience in Trinidad. After our sales campaign had been running for several months, buyers began to complain that the motors of our washers were burning out. To find out why and to satisfy our irate customers, we hired an expert on motors to ferret out the reason for this failure. He soon discovered that housewives were not using enough water in the machines and the motors were heating up. The solution: explain to customers they must follow the operating directions and not abuse the appliance.

In some markets, import restrictions and a shortage of dollars seem to squash any attempts to sell Canadian products. Other approaches have been tried. Take Iran as an example. We decided a licensing arrangement was the only possibility there. Soon a plant will begin turning out GSW refrigerators in that country under a licensing agreement. We have trained a man in our London, Ontario, factory and sent him off to Iran as plant manager under a three-year contract, with a Canadian technician to help him. Recently our chief methods engineer spent about five weeks in Iran, getting the units started down the assembly line and making sure the product met our standards.

Tangible Rewards

Though I have written chiefly about General Steel Wares' experience in the West Indies and the United Kingdom, we have tried our fortunes in many other markets in the last two years. In 1960 we sold our products in nearly twenty different countries and chalked up $305,000 worth of export sales. This year we expect the efforts we have made and the spadework we have done will bring their reward. If the figures for the first three months are a reliable guide, GSW's returns from export sales will, I believe, reach $750,000 or perhaps even $1 million by the end of the year. Already our overseas orders are up about 400 per cent over 1960.

Where do we go from here? To West Africa; we are busily planning our exhibit at the Canadian Trade Fairs in Accra, Ghana, and Lagos, Nigeria, early in 1962.

I think I'll go along. Africa will be a new continent for me—and I like exploring new markets. ●

Spanish Farmers Aided

SPAIN is making progress toward
solution of some of its agricult
problems but much remains to
done. Perhaps the greatest prob
is the lack of water. Since 1945
one million acres have been irriga
partly with the help of the Un
States Aid Program. But if ser
food shortages are to be avoided
drought years, an additional th
million acres must be irrigated
soon as possible. The responsib
for irrigating Spain's thirsty acre
vested in two government agenc
the Division of Hydraulic Works
the National Colonization Instit
Between them, they now have p
for bringing irrigated acreage up
15 per cent of the cultivated are

Another problem facing Spai
agriculture is the low and ineffic
agricultural production in many a
because the landholdings are exc
sively fragmented. The traditic
European practice of dividing
property, including land, equ
among the children upon the death
the father, has created in north
Spain a degree of land fragmentat
probably unequalled anywhere
Western Europe. To change this p
tern of landholdings, the Land C
solidation Service was created
1952 and given the responsibility
regrouping and consolidating so
20 million acres of uneconomi
fragmented plots affecting one
of Spain. United States aid has
abled Service engineers to rece
technical training and equipment.
"Minimum Cultivation Law" pas
in 1955 fixed minimum cultivat
units for each type of land in
various provinces.

One important factor perpetuat
rural poverty in Spain is the existe
of some 10 million acres of curren
non-agricultural and largely n
productive land. One solution to t
problem is a large-scale reforestati
program, which to date covers 3
million acres. Plans now call for
ten-year program of investment a
development, aided by United Sta
funds, to advance this work.

The Spanish Soil Conservati
Service unfortunately does not have
wide powers as the reforestati
agency in its campaign to combat t
effects of severe erosion. Neverthele
by the end of 1960 almost 130,0
acres had been treated and the n
future may bring greater activity.

—M. T. STEWART,
Commercial Counsellor, Madr

TRANSPORTATION NOTES

hile Changes Shipping Regulations

HE Government of Chile has taken measures to as-ure more rigid compliance with a 1956 law that re-erves to Chilean steamship lines 50 per cent of cargo hipped to and from that country. Effective January 1, nder the authority of regulations contained in Decree o. 492 and modified by Decree No. 237 of May 10, 961, the Ministry of Economy, through its Depart-hent of Maritime Transportation, is applying a cri-erion of distribution, control and statistics designed o guarantee that 50 per cent of all cargo moving hrough ports served by Chilean steamship lines is eserved for Chilean flag vessels.

All imports and exports must be registered with e Central Reserve Bank. On the basis of registrations e Central Reserve Bank distributes the cargo daily n a 50-50 ratio based on value of freight. It then tamps the registry forms in Spanish and English, either Embarque en nave Chilena" (ship in Chilean vessel) r "Embarque Libre" (free shipment).

Goods covered by registry forms stamped "ship-hent by Chilean vessel" must be shipped in a Chilean-wned ship, a foreign ship chartered by a Chilean teamship company, a ship chartered by the Chilean itrate Sales Corporation (if the cargo is nitrate or ull bulk cargoes of sugar, phosphate or potassium ertilizers), or a foreign ship owned by a shipping line hat has a pool agreement with a Chilean shipping ne. An exception may be made if the importer or xporter proves to the competent Chilean authority hat shipment by Chilean vessel or any of the alter-atives given above will mean a delay of over four ays for perishable cargo, seven days for copper, or 5 days for other cargo. If there is no space available n a Chilean flag vessel, a certificate to that effect must e presented to the Chilean Customs, which will then llow shipment by any other vessel. The new decree elieves Chilean Consulates of any jurisdiction over this atter.

The Compania Chilena de Navegación at present is he only Chilean-flag shipping line offering a service rom Canadian ports to Chile. Sailings are scheduled rom Vancouver approximately every 70 days. The Westfal-Larsen Line (Norwegian flag) maintains a ervice every 20 days from Vancouver to ports in hile, and the West Coast Line (Danish flag) offers monthly sailings from Montreal and the St. Lawrence orts. No foreign-flag shipping lines operating from anadian ports to Chilean ports have pool agreements vith a Chilean shipping line. Goods exported from anada to Chile do not have to be routed to United tates ports to comply with the cargo reservation egulations. Similarly, goods imported into Canada rom Chile need not be routed through United States ports. In most cases, therefore, all exports and imports moving in trade between Canada and Chile will be stamped "free shipment" or will come within the exceptions provided to the requirement for "shipment in a Chilean ship."

The new decree establishes that the responsibility for failure to comply with the cargo reservation regulations can be placed on either the shipping company itself, its legally recognized agent, the corresponding importer or exporter, or the Customs dispatch agent, and will be established by a Customs tribunal that will investigate each infraction. Canadian firms exporting to Chile should ensure that all bills of lading presented to a shipping company show the number of the Register or Deposit Receipt (import licence) and whether the Register or Deposit Receipt is stamped "shipment by a Chilean ship" or "free shipment."

—H. A. HADSKIS,
Transportation and Trade Services Division.

Australia

AIRLINE SOLD—The Australian Government has sold its half share in Tasman Empire Airways Limited (Teal) to the New Zealand Government for £1,014,-250. Payment does not have to be completed until March 1965. Australia and New Zealand will enter an agreement giving Qantas the right to fly to and through Auckland, Wellington, and Christchurch; and Teal the right to fly to and through Sydney, Melbourne, Brisbane, and Norfolk Island—Melbourne.

Colombia

FREE PORT—Based on studies made by Swedish technicians and a detailed technical plan drawn up by officials of the Free Port of Hamburg, Colombia will open its first free port in the Barranquilla port area. It will cover 900,000 square meters and will have access to all required services and labour in the city of Barranquilla—Bogotá.

Guatemala

HIGHWAY CONSTRUCTION—An $18 million loan for highway construction has been obtained from the Development Loan Fund and the Export-Import Bank. The funds will be used to complete construction and paving of the Pan-American Highway, the Rio-Hondo and Nueva Ocotepegue highway connecting Guatemala and Honduras, and the Molino-Jalpatagua road connecting Guatemala and El Salvador. The Pan-American Highway will assist in promoting commerce and the tourist trade; the other two will facilitate the exchange of goods between Guatemala, Honduras and El Salvador—Guatemala City.

Ireland

HARBOUR DEVELOPMENTS—In carrying out its program for economic expansion (1958), the Government of the Republic of Ireland has announced a $2.8 million project for the development of four major fishing ports—Howth, Castletownbere, Passage East and Galway. A fifth, Killybegs Harbour, has already been scheduled for development at a cost of some $560,000. The program will take several years to complete—Dublin.

Japan

FLIGHTS to EUROPE—Japan Air Lines has announced the inauguration of a new jet service to Europe over the North Pole. Flights will leave Tokyo twice a week for Paris, via Anchorage, Copenhagen and London. This is the first time a Japanese airline has provided service to Europe—Tokyo.

BULK CARRIERS NEEDED—A fleet of iron-ore and coal carriers (as large as 5.5 million tons deadweight) will have to be built by 1970 to meet the import requirements of Japan's fast growing steel industry. Imports of materials for the steel industry will increase from the present 20 million tons a year to 70 million tons by 1970 if the industry is to reach its goal of 45 million tons of steel production by 1970. The steel industry is said to be ready to assist Japanese shipbuilders to finance and build the bulk carriers; it would save Japan $400 million in foreign exchange—Tokyo.

New Zealand

AIR-FREIGHTING STUDIED—A special interdepartmental committee will be set up to study the possibility of using cargo planes to carry New Zealand primary produce across the Pacific. The Minister of Civil Aviation, in announcing the plan, said that the committee will include representatives of the Departments of Civil Aviation, Agriculture, and Industries and Commerce. They will study the economics of the proposal, widening membership to include representatives of such organizations as producer boards—Wellington.

Portuguese India

RAILWAY AND AIRPORT OF MORMUGAO—The concession of the small railway and port of Mormugão in Portuguese India, which by contract signed in 1881 had been granted to the West of India Portuguese Railway Company, has now expired. The Portuguese Government recently settled with the company for $1.1 million.

Moreover, the Portuguese Government has loaned the Government of the province of Portuguese India the sum of $1.7 million repayable over 12 years : no interest, for further development of the railway an port. In 1960, in addition to other goods, seven mi lion metric tons of iron ore and manganese ore passe through this port—Lisbon.

Switzerland

FEDERAL RAILWAYS—The accounts of the Fed eral Railways for 1960 show that 225.8 million pas sengers were carried, compared with 223.2 million i 1959. Revenue from passenger traffic came to SF392. million, an increase of SF32.4 million. The tot volume of goods traffic last year was 29.7 million ton an increase of 3.9 million. Revenue from the carriag of goods amounted to SF599.7 million, an increas of SF80.9 million.

The Railways' total revenue last year came t SF1,079.6 million, a rise of SF118.7 million; expendi ture went up by 42.1 million to SF782.7 million. Th surplus was large enough to cover depreciation an capital costs and to allow the transfer of a sum t the reserve and the payment of interest at 4 per cen on the basic capital. After deduction of these items the net surplus of SF7.4 million was carried over t this year's accounts—Berne.

AIR AGREEMENT WITH POLAND—Announce ment has been made of an agreement on civil air trans portation signed by Switzerland and Poland. Accordin to the agreement, both countries may schedule regula flights between the two as well as through each coun try to points beyond. The agreement is subject t ratification by the Swiss Government and is provi sionally effective from the date of signature—Berne.

TRANS-EUROPE FREIGHT EXPRESS—Severa years ago the railways of Europe collaborated in th establishment of an express passenger service betwee principal cities known as the Trans-Europ-Expres (TEE). The success of this service has now led to th establishment of an express freight service known a the Trans-Europ-Express-Marchandises (TEEM) TEEM will carry on its international runs fragile o perishable goods requiring a minimum of custom formalities. The initial schedule calls for service to 3 cities—Berne.

Venezuela

NEW AIRLINE—The new Venezuelan airline VIASA, has started a jet service between Caracas and Madrid, using a DC-8 airliner chartered from KLM The new company has three scheduled flights: one to Amsterdam via Curaçao, Santa Maria, Lisbon, Madrid Paris, and London; another to Madrid via Santa Maria and Lisbon, and a third to Bogotá and Lima—Caracas

Advertising Abroad

n Chile, **where one million radios are turned on for many ours a day, advertising by air-waves reaches the largest number f people. Advent of commercial TV has been postponed.**

M. KNOWLES, *Assistant Commercial Secretary, Santiago.*

EARLY two million of Chile's even million people live in Saniago. Altogether about three fifths f the population of the country live ithin a hundred miles or so of ne capital. Industrialization has een rapid and in consequence, 65 er cent of Chileans are citywellers; more than half of them ve in Santiago or Valparaiso. This nakes for an extraordinarily conentrated market.

All of the modern advertising echniques familiar to Canadians re in use here but the emphasis n advertising is subtly different. 'o be effective, advertising in Chile as to be more serious and less amboyant than in some parts of North America. Chileans have nuch in common with Canadians n their preference for sincerity ather than superlatives. The mesage should be quietly and firmly tated and should, if possible, emhasize the real advantages of the roduct.

Advertising Agencies

There are 22 important adverising agencies in Chile, all of them ocated in Santiago. Three wellnown U.S. firms and one British irm maintain branches here. The gencies are in a position to recomnend the most suitable advertising echniques, bearing in mind the nature of the product and the requirements of the market. The international agencies tend, of course, to specialize in handling international accounts obtained from their associate companies abroad, although they are not limited to business of this kind. The smaller, purely local agencies do not get much of the international brand promotion business and tend to concentrate on smaller local accounts. Nevertheless, one of the largest and most successful agencies is a native Chilean firm which has many international accounts and is in every way comparable to the four foreign agencies. The so-called "foreign" agencies are almost 100 per cent Chilean in personnel, including top management, and they are self-sustaining operations that, in general, neither receive financial help from nor remit profits to their parent organizations.

Canadian exporters who wish to advertise in Chile should, of course, consult their local agent or distributor as well as the Commercial Section of the Canadian Embassy before approaching an agency. Many products are not suitable for advertising in Chile, and many others can be advertised directly in the appropriate medium without a full-scale campaign that might waste time and money.

The four largest advertising agencies in Chile offer clients a full range of services. One firm has not only the usual creative department, art department, and Spanish and English copywriting facilities, but also an elaborate market research organization—and even a soundproof recording studio for preparing radio announcements and broadcasts on tape.

One of the advantages of dealing through an international agency is that it charges international rates. Aside from special items such as artwork, commissions on printing, payment of artists for performances, etc., the costs of placing advertising in the various media are nil, for all practical purposes. This is because, as in Canada, the agency derives its revenue from a 15 per cent commission from the medium for all advertising placed and does not charge the client a separate fee. This is not true generally of the smaller local agencies, which charge a fee for services over and above the rebate that they receive from the media with which they have placed their business.

No Commercial Television

All of the advertising media to which Canadians are accustomed are available, with the exception of television. The Catholic Universities of Santiago and Valparaiso have been conducting experimental TV broadcasts for one or two hours a week for the past two years. The Government has, however, discouraged the expansion of television in Chile on the ground that it is a luxury the country cannot afford as long as there is a serious balance-of-payments problem. It will therefore probably be several years before commercial television comes into operation here.

Radio Is Biggest Medium

In the meantime, the ubiquitous radio absorbs a large part of the Chilean advertising escudo. It is by

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all odds the most important channel of advertising. About 70,000 radios are turned out every year by eight local manufacturers and Chile has approximately one million radio receivers in what seems to be almost constant operation. Imported portable sets, many of which enter the country through the free ports, have become so popular that the Government recently felt constrained to legislate against their operation in public passenger vehicles, in the interests of the long-suffering public. There are 24 radio stations currently broadcasting in Santiago, augmented by over 70 others across the country.

The largest Chilean network is that of the Compania Chilena de Comunicaciones S.A., with 12 standard broadcasting stations in eight cities from Antofagasta to Punta Arenas, plus three shortwave stations in Santiago and one each in Valparaiso and Antofagasta. Other large multiple-station operators include the Sociedad Chilena Radiodifusora and the Corporacion Chilena de Broadcasting. The National Agricultural Society also operates its own network, with stations in Santiago, Valparaiso and Los Angeles. The most important from the advertiser's point of view, however, is the network of the Sociedad Nacional de Mineria, which has rebroadcasting arrangements with a substantial number of independent provincial stations and which, surveys indicate, is the most popular among listeners.

The cost of radio advertising is low. One station charges the equivalent of U.S.$15.00 for 30 spot announcements of ten seconds or less. Micro-programs running from one to five minutes cost from $100 to $700 per month. Sponsored programs range from U.S. $1,200 for five to U.S.$2,400 for 25 minutes.

Three of the large advertising agencies maintain a network of correspondents throughout the country who carry out spot checks one or two days a week to ensure that cinema and radio advertising actually is carried out as per contract, and to report on the nature and amount of advertising done on behalf of rival brands.

It is interesting to note that when this control was introduced two years ago, failure by some of the smaller provincial radio stations to insert announcements as agreed sometimes was found to be as high as 50 per cent. The monitoring system has proved effective because complaints are now negligible.

Newspapers

Chile's literacy rate of over 80 per cent is one of the highest in Latin America and newspapers and magazines are an important means of reaching a wide public. All domestic Spanish-language newspapers and magazines are Chilean-owned; many of the magazines belong to one large publishing house.

The newspapers are, after radio, the most important advertising medium. There is no circulation audit in Chile; the following figures released by the publishers are believed to be approximately correct: *El Mercurio* of Santiago (75,000 daily; 105,000 Sundays) has the largest circulation and is the principal newspaper used for advertising purposes; *La Nación* (40-45,000), and *El Diario Ilustrado* (15,000) are also popular with advertisers.

Advertising rates run from about U.S.$1-1.80 per centimetre to about U.S.$425 for a one-page ad (424 cm.) in black and white. One-page ads in one, two and three colours range from about U.S.$2,250 to U.S.$4,000 for daily issues, somewhat higher on Sundays.

Magazines

A Chilean edition of *Reader's Digest* is printed in Argentina from plates manufactured in Brazil and distributed in Chile. Advertisements are placed with an agency established in Santiago by the magazine's management. As *Reader's Digest* advertising rates are rath higher than those of Chilean mag zines with similar or larger circul tions, the publication has attract relatively less advertising.

The following are approxima circulation figures for some of tl better known foreign periodic that enter Chile: *Reader's Dige* 100,000; *Life* (Spanish edition 60,000; *Time* (Latin America English edition) 16,000. The may be compared with the mo popular domestic magazines suc as *Vea* (150,000), *Ercilla* (10C 000) and *Zig-Zag* (20,000), illustrated news magazines. Chile one of the printing and distributic centres of the international nev magazine *Vision*.

The decision whether to adve tise in a foreign or a domest magazine should be based upon th nature of your products and th type of consumer you are trying t reach. Chile has no mass mark for automobiles, home appliance expensive liquors, processed food and similar products which forr the bulk of advertisements in Ca nadian magazines. For these, it i advisable to aim at the upper in come groups in a large number c countries, including Chile, via th international magazines. For thos foreign products that do have mass market in Chile, radio an newspapers are the most suitabl advertising media.

Trade Papers

There are a few specialized pub lications, similar to trade maga zines, that are peculiarly suitabl for directing a message to particula groups. The monthly *Industria* published by the Sociedad d Fomento Fabril (the local equiva lent of the Canadian Manufac turers' Association), is frequentl used for advertising by importin agents and distributors of foreig industrial equipment.

Other publications of this typ that carry advertising include *Pano rama Economico* and *Economi*

Finanzas, widely read by government officials and businessmen, and *El Campesino* of the National Agricultural Society.

Cinema Advertising

One highly developed local form of advertising is the filmlet, also known as the cinelet. This is a 30-second moving picture in colour. Filmlets are created and filmed locally and make their sales point with a fine touch of humour which is popular with theatre goers. For slightly less than the equivalent of U.S.$4,000 a filmlet is created and shot, 40 copies made, and distribution for 228 cinema weeks guaranteed. A fee for further distribution is negotiable according to a sliding scale, from about U.S. $300 per month for ten cinema showings a week to about U.S. $7,000 per month for 214 showings a week.

Slides are a much less expensive form of cinema advertising; one slide costs about U.S.$32 and further copies U.S.$12. The cost of distribution is U.S.$12 per cinema week.

There are 306 cinemas in all Chile (92 of them in Santiago) and going to the movies is an extremely popular form of entertainment.

Billboards

Billboard space is scarce. For about U.S.$200 one can rent one hundred 2 × 1 metre billboards for 15 days. This is a medium which is suitable either for launching a new product or emphasizing a new development of an older one. Electric signs are expensive and relatively little used except by large-scale advertisers of branded commodities such as petroleum products, wines, tires, electrical appliances, etc.

Transportation Advertising

Transportation advertising furnishes the state-owned bus system with a small but steady income. It takes two forms: cards for internal display, as on Canadian buses, and metal plaques for external display, which are a good deal more expensive. Both of these are extensively used to advertise locally manufactured consumer goods. They have not yet been adopted to any extent by privately owned buses or taxis.

Direct Mail

There are no companies in Chile engaged exclusively in the direct mail business, although agencies use this technique occasionally. Free samples are seldom employed; in fact, sample sizes of a large number of consumer goods are on sale regularly in local stores at inflated prices. Occasionally a product lends itself to a combination of direct mail and sample advertising, as in the promotion several months ago of a famous brand of razor blades.

Point-of-sale advertising is little used and trade fairs are practically unknown as a means of advertising goods and services.

Message from on High

There are, however, some forms of advertising successfuly used in Chile that are not so familiar in Canada. As in many Latin American countries, loudspeaker trucks are sometimes employed by local stores to advertise sales at a rate of about U.S.$2.00 per hour.

A variation of this is the aircraft that flies over Santiago and other important cities and towns almost daily at a low altitude, calling out a sales message from the heavens above to the earth beneath. As air-safety regulations prohibit low flying over built-up areas in most countries, in a certain sense the level of advertising in Chile reaches heights seldom achieved elsewhere —and all for about U.S.$90 per hour. It is interesting to note that these aircraft were used successfully by the Consumers' Protection Association during the more hectic inflation to tell housewives the legal prices of foodstuffs and other staples, thus performing a real public service. ●

IADB's First Year

LAST year the Inter-American Development Bank—a new lending institution with an authorized capital of almost $1 billion—received 194 applications and 174 inquiries for loans. Some 75 per cent of the applications came from private agencies or individuals and the remainder from member governments. Fields covered by these requests for loans were agriculture, mining, transportation, electric power, industrial development, and social welfare. At year's end, the Bank was actively considering 91 applications, involving about $200 million.

In its first annual report, released in Rio de Janeiro last month, the economic and social problems in Latin America—such as population growth, prices of raw materials, and balance of payments—were discussed in some detail. It was pointed out that population in Latin America is rising by 2.5 per cent a year and has increased by 42 million in the past decade. The area's gross national product has gone up 40 per cent in the same period. "This is even more remarkable," the report says, "if it is borne in mind that the value of exports has lagged behind population growth and the purchasing power of those exports has been declining sharply since 1955." Commodity price fluctuations were sharpest in copper, cotton, sugar, cocoa, bananas and wool and somewhat less acute for minerals.

The Bank's role in promoting Latin American economic growth, the report states, would be restricted if viewed only in terms of its limited financial resources. It expects also to encourage and facilitate the flow of private capital into the area. Bank officials hope too that their technical assistance facilities will contribute substantially to the mobilization of local resources and strengthen the appropriate financial institutions. Technical assistance will be offered to member countries to aid in preparing, financing and implementing long-term or over-all development plans and specific projects and in preparing proposals for these. Technical assistance missions went to Bolivia in 1960 and others are planned for Haiti, Honduras, Paraguay and El Salvador.

During its initial operations, the Bank has placed a tentative limit of $100,000 minimum and $5 million maximum on loans for specific projects. It does not expect to lend more than $150 million this year.

—J. D. BLACKWOOD, *Assistant Commercial Secretary, Washington.*

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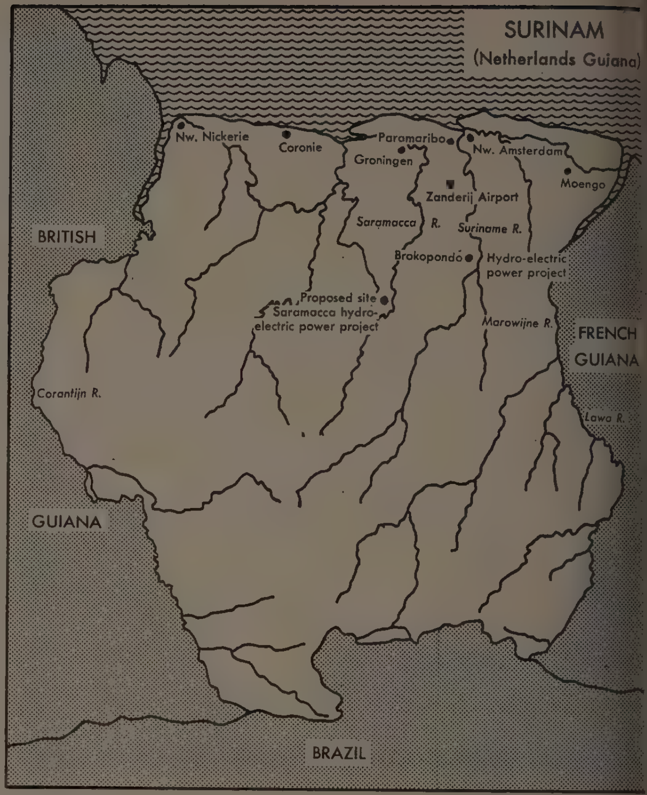
Markets in Brief

SURINAM

(Netherlands Guiana)



Area: approximately 55,000 square miles.

Population: approximately 265,000.

Climate: tropical and moist, lying 2 to 6 degrees north of the equator.

Language: official language is Dutch; however, English is spoken and written by the business community.

Currency: Netherlands Antilles florin or guilder of 100 cents. Official rate, one florin=Can.$0.52.

Weights and measures: metric system.

Capital and chief port: Paramaribo; population 110,000, almost half that of Surinam.

Political status: Independent Kingdom of the Netherlands.

Economy: mining (chiefly bauxite); agriculture (chiefly rice, some sugar) and forestry.

Total Surinam imports: 1959—Can.$44.5 million; 1958—Can. $37.4 million.

Chief imports: 1959 (Can.$ million)—foodstuffs $4.8, transport equipment and vehicles $4.8, capital equipment including mining machinery $7.3, raw materials for industry $12.8—of which $3.6 represents fuels and lubricants and $3.3 materials for the construction industry.

Chief suppliers: 1959 (Can.$ million)—United States $16.2, Netherlands $13.1, other European countries $7.1, Eastern Caribbean area $4.9, Asian countries $1.9, Canada $0.7.

Value of imports from Canada: (Can. dollars) 1960—$883,096; 1959—$696,444; 1958—$856,039.

Chief imports from Canada: (Can. dollars) 1960—flour $168,497, cured fish $160,232, drugs and chemicals n.o.p. $91,595, fish canned $89,578, agricultural machinery and parts $59,108, contractors' supplies $45,283, medicinal preparations $32,679, powdered whole milk $27,477, cotton fabrics $26,240.

Total Surinam exports: (Can.$ million) 1959—$39.8, 1958—$32.0.

Chief exports: (Can.$ million) 1959—bauxite $31.8, rice $2.2, plywood $2.2.

Chief markets: (Can.$ million) 1959—United States $30.9, Netherlands $3.1, Caribbean $2.1.

Value of Canadian purchases: (Can.$ million) 1960—$4.2; 1959—$2.9; 1958—$2.3.

Chief Canadian purchases: 1960—bauxite and alumina, Can $4.0 million.

Quotations: quote in U.S. dollars, c.i.f. or f.o.b.

Banks: no Canadian banks. Two Netherlands banks—D Surinaamsche Bank N.V. and the Hollandsche Bank-Oni N.V. One domestic bank—Vervuurts Banking Corpora tion.

Correspondence: all correspondence should be by airmail; rate 10 cents per half ounce.

Import controls, documentation, customs tariffs, marking an labelling: same tariff applies to all countries. Ninety-si per cent of all imports are liberalized; exceptions includ furniture for domestic use, macaroni and spaghetti. Fo further information, consult the International Trade Rela tions Branch, Department of Trade and Commerce Ottawa.

For detailed information on this market write to:

European Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
P.O. Box 125
Port-of-Spain
Trinidad, W.I.

Exporters with food products, drugs and chemicals, fabrics, and certain types of machinery to sell might investigate opportunities in Surinam, once known as Dutch Guiana. Those already selling in the West Indies and British Guiana will find this a similar market.

Why Not Sell in Surinam?

. L. RICHARDSON, *Assistant Trade Commissioner, Port-of-Spain.*

URINAM is an independent part f the Kingdom of the Netherlands, tuated in the northeast corner of outh America, just a few degrees orth of the equator. The popula- on of 240,000 is a multi-racial iixture of Creoles, Hindustani, ndonesians, Negroes, American ndians, Chinese, and Europeans. democratic government is carry- ig out a carefully planned program f development.

The following sectors contribute the national income of some an.$60 million: mining, agricul- ure, primary industry, trade and ansportation, secondary industry, ervices and forestry. The mining ndustry accounts for half of this otal. Bauxite is the principal min- ral and Surinam is reported to be ne world's third largest supplier. he country is known to have ther valuable minerals but only old has been mined successfully.

In agriculture, rice is the main rop and the Government has re- ently carried out an intensive re- earch program to improve the uality and productivity of this rop. Sugar and its by-products are ext in importance, and a number f tropical products are grown in mall amounts. The forest potential significant but the resources are nly now being exploited. A ply- vood plant has had a good deal of uccess in finding export markets or its high-quality product.

Secondary industry must be eared to a small domestic market, with provision for exports to the surrounding area. Among the manufacturing carried on is the processing of sugar and oil nuts and the making of shoes, matches and cigarettes. There is also a furniture plant, a small plastic boat factory, and a brewery. Plans for plants making margarine and bricks are under way.

Development Program

The Government started a ten-year development program in 1954 and this has since been extended to 1970, with the objective of developing Surinam's resources and diversifying its economic structure. In this way, it hopes to reduce the country's dependence on the two major products, bauxite and rice.

The original plan called for an expenditure of 127 million guilders* (approximately Can.$67 million) but with its extension to 1970, another 80 million guilders has been added to the budget. The financing has been arranged through the co-operation of the Surinam and the Netherlands Governments, as well as by loans from the World Bank and private investment. The Netherlands agreed to supply one third of the financing through long-term loans. Each year the Surinam and Netherlands Governments consult on the projects to be carried out during that year as part of a four-year schedule.

The largest project undertaken is the Brokopondo hydroelectric plant on the Surinam River. At an estimated cost of Can.$60 million it was started in 1958 by the Aluminum Company of America in agreement with the Surinam Government. An alumina plant and aluminum smelter with an annual capacity of 40,000 tons are being built and will use the major portion of the electric power produced. Electricity will also be supplied to the capital, Paramaribo, and when the project is completed by 1966 the present 50-cycle system will be changed to 60-cycle. Another hydroelectric development on the Saramacca River is in the preliminary planning stages. The power will be used for the further requirements anticipated for secondary industry in Surinam.

In agriculture, the Wageningen project designed to introduce large-scale mechanical rice farming has been completed.

Transportation to Resources

Surinam is working on two major projects to develop transportation to its resources. The first, "Operation Grasshopper", is an aerial survey of mineral and forest resources, from which plans for airstrips in the interior can be made. A Canadian firm carried out the intial mapping survey and is now engaged on its second contract, to locate mineral resources. When the survey has been completed, plans call for

The currency of Surinam is the guilder. One guilder=Can.$0.52.

the construction of seven airstrips at strategic locations in the interior. The second project, "Operation Tortoise", will construct a network of roads to connect these airstrips. This will provide transportation for the development of resources and the marketing of produce. A World Bank loan of $770,000 has been arranged to implement Operation Grasshopper. The Surinam Government has invited foreign capital to participate in the development of mineral resources and interested firms should write to the head of the Geological and Mining Service at Paramaribo for information.

Investment Opportunities

An investment ordinance was passed in November 1960 to encourage private investment. Any investment exceeding Can.$15,000 is exempt from income tax for a period of five years and the period of exemption will be extended one year for each additional Can. $25,000 invested, up to a maximum of ten years. The company must be incorporated under Surinam law and will be permitted duty-free imports of capital equipment and raw materials for a three-year period, subject to the recommendations of government bearing on the application. Corporation tax on net profits does not exceed 30 per cent. One has only to see the ultra-modern airport at Vanderij and the theatre and post office in Paramaribo to realize that Surinam is moving forward.

Market Conditions

The official language is Dutch; however, most businessmen are able to conduct business in English. The market is open to exporters from almost any country in the world. There is a single tariff on all products regardless of origin and only about 4 per cent of imports are still under control. The controlled list includes macaroni, fresh vegetables, some types of lumber, doors, windows and frames and metal furniture for household use. About a dozen other products are under import quota control. For those products on quota, import licences are required. Import licences are also required for products purchased on extended credit terms.

Certificates of origin, customs and consular invoices are not required but invoices showing c.i.f. value should be supplied in triplicate.

Importers and agents in Surinam have a long established reputation for sound business practices; most of them are located in Paramaribo. The Chamber of Commerce actively represents the business community and assists in maintaining this reputation.

Trade Position

Over the past few years, Surinam imports have exceeded exports by increasing amounts, but the deficit on the balance of payments has largely been made up by growing foreign investment in the bauxite industry. (See accompanying table.)

SURINAM'S BALANCE OF TRADE

	Imports	Exports	Balance
	(in million guilders)		
1954	52.0	55.2	+ 3.2
1955	51.6	49.7	— 1.9
1956	62.6	57.9	— 4.7
1957	73.1	63.8	— 9.3
1958	71.4	61.2	—10.2

Canadian Trade with Surinam

The percentage of the market supplied by Canadian exporters is as follows: 1954, 2.1; 1955, 2.3; 1956, 2.6; 1957, 1.6; 1958, 1.8.

Canadian exporters could advantageously explore the market possibilities, which include a wide range of food and manufactured products. The major exports from Canada are shown in the accompanying table for the years 1957 to 1960. The only exports which have steadily increased in value are fish products, drugs and chemicals, automobiles and mixed feeds. Wheat flour, the major import from Canada, has fallen steadily over this period. Surinam is a member of the International Wheat Agreement an[d] a selected list of importers guara[n]tee each year to import the flo[ur] commitments under the Agreemen[t]

MAJOR CANADIAN EXPORTS TO SURINAM

Product	1957	1958	1959	196
	(Can.$'000, f.o.b.)			
Total exports	829	856	696	88
Flour	375	277	204	16
Hake, salted, dried	55	75	64	10
Drugs and chemicals	36	44	63	9
Sardines, canned	43	59	46	6
Reapers, threshers, combines	8	15	....	5
Contractors' supplies	....	....	....	4
Medicinal preparations	27	32	31	3
Alewives, pickled	23	28	30	3
Powdered whole milk	....	....	....	2
Cotton fabrics	46	23	28	2
Canned salmon	18	13	22	2
Automobiles	....	9	18	2
Mixed feeds	2	2	7	1

Source—DBS.

One of the difficulties Canadia[n] exporters face is the lack of direc[t] shipping. Canadian products mus[t] be transhipped at either George-town, British Guiana, or Curaçao. However, this is being done successfully by a number of aggressiv[e] exporters.

Although the market for any on[e] product is not large, firms whic[h] are now exporting to the Britis[h] West Indies and British Guian[a] could obtain additional expor[t] sales by extending their sales representation and shipments to th[e] Surinam market.

Be Sure It Goes Airmail

TRADE Commissioners in a number o[f] posts are again reporting that letter[s] from Canadian businessmen are reachin[g] them by seamail. This usually mean[s] weeks of delay. Some of these letter[s] were probably intended to go airmail bu[t] because the postage was insufficient, the[y] were automatically transferred to sea mail. Canadian businessmen writing t[o] overseas markets are urged to make sur[e] that the office staff is weighing thei[r] letters and putting on the right amoun[t] of airmail postage.

FAIRS AND EXHIBITIONS

Canadian Trade Fairs Booklet

RADE fairs in Canada during the last six months of 961 are catalogued in an attractive booklet prepared y the Editorial and Art Services Division, Trade Pub- city Branch, Department of Trade and Commerce, ttawa; it is free to anyone who writes for a copy.

About 70 fairs are listed by province and city, and "general" or "vertical". The vertical shows are rouped alphabetically according to commodity under 5 product headings. Tables indicate whether or not ey are open to foreign exhibitors, the general public, elegates, and buyers. The addresses of fair managers nd estimates of attendance are also given. There are teresting photographs of some of last year's fairs.

South American Trade Fair

The market in Peru is small, but it is dynamic, st-growing and stable. Although Canadian exporters nd competition keen, they find trading profitable and ere is much goodwill towards Canada. The Canadian overnment will therefore participate again in the acific International Trade Fair at Lima, to be held is year from October 12-29. It is South America's nly international exhibition and visitors come from e entire continent; 31 countries exhibited at the last owing (1959), and 5,000 buyers attended.

This year Canada will construct a 63 by 67-foot avilion of brick with a folded-plate roof of long oloured canvas sheets held in an aluminum frame. On splay will be Canadian foods and beverages; papers, ch as facial tissues and wallpaper; domestic and ommercial appliances (freezers, ranges, stainless steel nks, polishing and scrubbing machines); marine and orting supplies (a floating dock, boat kits, fishing ear, sporting ammunition, nylon nets); chemical prod- cts; machinery (rock drill bits and inserts, a power novel, a vulcanizer); and miscellaneous products, such models of aircraft, X-ray equipment, clocks, dolls, allpoints, etc.

As special attractions, we will display Eskimo art nd other Canadian handicrafts, and furs. Films will e shown, tourist attractions advertised, and "the look f Canada" pictorially presented. The Industrial De- elopment Branch will erect a panel display covering s work. Brochures and pamphlets on Canadian indus- y will be distributed.

Altogether, 61 firms have arranged to show their roducts. The fair will be open at certain hours to uyers only, but otherwise it is geared to the general ublic. The Canadian Government Exhibition Commission is designing the pavilion and the Department of Trade and Commerce is organizing and sponsoring the Canadian entry.

The Chemical Industries Exhibit

THE biennial Exposition of Chemical Industries, to be held this year from November 27 to December 1 at the New York Coliseum, is the largest chemical equipment show in the United States. For the first time Canada will enter an exhibit. The Exposition features products and materials related to the chemical industry —processing equipment, instruments, chemicals, laboratory equipment and supplies, raw materials, and materials handling and packaging equipment. In 1959, visitors came from 47 states and 44 foreign countries. Attendance totalled 34,684 and included executives, engineers, sales and purchasing agents, consultants, and other persons from every type of industry.

The Canadian chemical industry, though small, has taken the lead in certain developments and the Canadian Government is anxious to advertise its achievements. Seven hundred square feet of display space has been reserved to show such devices as a high-speed mixer, electrolyser cells, a computer and a separator; such instruments as a scintillation spectrometer, berylometer and counter, moisture meter, transcint, air sampler, pulse shape discriminator, universal radiation meter, isotope analyzer, and pocket dosimeter; and also scintillators including plastic phosphors, slow neutron and alpha particle detectors, gamma flow and thermal neutron detectors, instant liquid scintillators, and pulse shape discrimination plastic. Photographs, scale models of plants, maps over deposits, and flow diagrams will complement the other displays. Nine Canadian firms are contributing products and most of them will send representatives to the show. The Industrial Development Branch will have a display illustrating its services.

The Canadian exhibit is organized by the Department of Trade and Commerce and designed by the Canadian Government Exhibition Commission.

Canadian Products in Netherlands

THE Canada-Euro Exhibition Commission, a private firm with offices at 2623 King Street East, Hamilton, Ontario, is organizing an exhibition of Canadian products and services in Rotterdam from June 8 to 23, 1962. The show will be aimed at the whole Common Market and a minimum of 100 exhibitors is expected. The products shown will be broken down into appropriate groups.

Site is Rotterdam's Ahoy Halls and companies will be expected to man their own booths. The public will be admitted during the second week of the show. Canada-Euro will arrange a charter flight to Rotterdam and also chartered air freight flights if enough people are interested.

The Canada-Euro Exhibition Commission was set up in Canada in 1960 and organized a one-week exhibition in Hamilton in April 1960 and again in April 1961 of Netherlands commodities and of products made and services offered by Dutch settlers in Canada.

Canadian Woods for Chicago

EXHIBITORS in this year's National Retail Lumber Dealers' Exposition, November 4 to 7 at Chicago, will be aiming at the major lumber and building-products markets of the Midwest, and the Canadian Government is entering an exhibit in this annual show for the first time. Site is Chicago's new McCormick Place exhibition building and Canada will take 20 by 20 feet of space, featuring an exhibit of Canadian woods and building materials in their end uses.

On hand to see the displays will be representatives from the region's entire wholesale and retail lumber industry. Last year 257 exhibitors took part and 7,626 dealerships were represented by top management; annual sales of the retail outlets represented totalled more than $3 billion. Only the trade is admitted. Exposition publicity reaches 28,000 retail dealers throughout the United States.

Danish Food Fair

THE Danish food industry staged a successful Danish Food Fair for the second time at Aalborg (June 2-11), and a third one is planned for 1963. Officials consider the Aalborg site ideal; it is the fastest growing city in Denmark. The main fair building is a permanent structure, which, with two temporary buildings and a cattle building, provides floor space of 12,500 square yards.

Although the right to exhibit has so far been restricted to Danish firms only, participation by foreign countries or firms will be considered in 1963.

This year there were 153 exhibitors. They displayed fresh, frozen and canned foods, ranging from sausages to chewing gum and mayonnaise; drinks; a large range of food-producing and packaging machinery, and slaughterhouse and cooling equipment.

Canadians Successful in Britain

"WHAT fantastic crowds!" This is the way one amazed participant summarized the Daily Mail Ideal Home Exhibition, Britain's finest consumer products showcase, held last April at Olympia, London. Just under 1.2 million people attended and a good portion of this number came through the Canadian sectio Canada's was the largest overseas display, coverir 10,660 square feet around a central well, unified b a special Canadian-made canopy. Forty-five firms too space in the booth area, manning their stands wit sales personnel; 34 firms showed their products in composite display. A demonstration stage was set u for Canadian films and fashion shows (there wer three fashion shows a day). Trade promotion offic took inquiries and distributed literature.

All the Canadian exhibitors reported sales at th show and some did a fairly large volume of busines The major appliance manufacturers were especial successful. One sold over 200 stoves before the sho was half over; a second took orders for 500 to 60 refrigerators; a third sold 37 home freezers. Som chose agents: one firm has now appointed three di tributors in the United Kingdom and another ha decided to organize its own sales force there. Mar firms received offers of representation and heard opt mistic predictions about sales of their products. To executives of some exhibiting firms will revisit th U.K. soon to assess the situation further.

"Unbelievable customer response" greeted an exhib in the composite area of Canadian-designed lamps an room separators; offers were made to buy them rig off the display at more than double the retail pric Air rifles, nursery equipment, jewellery, decorative ac cessories, and children's wear aroused great intere and chalked up impressive over-the-counter sales.

Canada's exhibit was organized by officials of th Trade Commissioner Service of the Department c Trade and Commerce. They and commodity office were in constant attendance throughout the exhibitic to help visitors. The Canadian Government expects t participate again next year.

Some Coming U.S. Shows

BUILDING—*Western Building Industries Exposition,* L Angeles, October 7-10. Apply: A. Byron Perkins and Ass ciates Inc., 2216 South Hill Street, Los Angeles, California.

CHEMICALS—*11th National Chemical Exposition,* Inte national Amphitheatre, Chicago, September 5-8. Apply National Chemical Exposition, Chicago Section, America Chemical Society, 86 East Randolph Street, Chicago, Illinoi

CONSTRUCTION EQUIPMENT—*Public Works Congre and Equipment Show,* Minneapolis, Minnesota, September 2 27. Apply: Public Works Congress and Equipment Show, 131 East 60th Street, Chicago 17, Illinois.

PAINT—*2nd International Colour and Paint Promotion Exhi it,* Statler-Hilton Hotel, Washington, October 30-November Apply: National Paint, Varnish and Lacquer Association, 15 Rhode Island Avenue N.W., Washington 5, D.C.

RECREATION—*43rd National Recreation Congress,* Cob Hall, Detroit, October 1-6. Apply: American Recreatic Society and National Recreation Association, 8 West Eigh Street, New York 11, N.Y.

Spain's Recovery Continues

The economy is expanding, trade increasing, as boom in other parts of Europe spreads to this country; some stubborn problems persist. Canadian exporters should appraise opportunities; review their Spanish agency arrangements.

M. T. STEWART, *Commercial Counsellor, Madrid.*

BUSINESS conditions have im-roved substantially in Spain in the rst part of 1961 and expansion romises to continue. Indeed, the ncreased activity about equals that n the first half of 1959. From the ntroduction of the Stabilization lan in July 1959 until about the nd of 1960, Spain experienced omething of a general recession nd business and industrial leaders ppeared reluctant to make any nnecessary commitments. The Sta-ilization Plan, however, has suc-eeded in that it has stabilized the eseta, wages and prices, and has ept down the cost of living.

The reactivation process, which as expected sooner, has been slow materialize and only in the open-g months of this year have con-dence and the necessary degree of ptimism in industry and commerce eturned. The increased activity, owever, is rather unevenly dis-ributed and there are few signs et of a general rise in consumer pending. It is apparent, however, hat the Stabilization Plan is now rmly established and with the gen-ral tendency towards liberalization f trade, the outlook has become uite favourable.

igns of Improvement

The main indications of the gen-ral rise in economic activity are he increase in the volume of bank learings and the marked expansion f bank credit. Clearings have risen ubstantially in the first part of 961 and are now about equal to he pre-Stabilization Plan figure, hen inflation was a definite threat. The expansion in bank credit, which got under way about September 1960, has continued up to the present. In addition, larger merchandise imports, in the absence of an increase in consumer demand, indicate some rebuilding of inventories. The bank rate was recently cut from 5.75 to 5 per cent, which restores it to that in force on July 1, 1957, and is intended to ease the demand for credit for industrial development and expansion.

A higher percentage of the national income is going into savings than before 1959. Dividends, especially bank dividends, are running high and the stock market has been experiencing a rise, some of which is due to foreign investment.

Unemployment Continues

The economy suffered a setback in 1960 because of a comparatively poor crop, notably of wheat, and the agricultural outlook for this year is rather poor. Fortunately the two crops that earn money in the export market—citrus and olives—were quite good. The low agricultural production has caused some hardship and unemployment among agricultural workers, who constitute about 40 per cent of Spain's working population. This no doubt has contributed to the failure of consumer demand to react favourably. There has been a good deal of unemployment and short time among industrial workers as well, and the consequent migration of many thousands of skilled workers to some of the Common Market countries has posed a problem for Spanish industry and the Spanish Government.

The economy of Spain still lags behind the booming Common Market countries but the boom there is benefitting Spain and will tend to raise the general level of prosperity in this country. In some ways, a degree of prosperity is being forced upon Spain by developments abroad.

Trade and Investment

Exports have continued at a high level in 1961 and, despite a substantial increase in imports, the foreign trade deficit for the first quarter amounted only to U.S.$12 million. Foreign exchange reserves have increased in a satisfactory way and in the first quarter approximately U.S.$80 million was added to them, raising the total to about U.S.$570 million, mainly because of the substantial reduction in the country's short-term international liabilities.

It is generally agreed that a substantial flow of foreign investment into Spain is necessary at this time, but progress has been disappointingly slow. The legislation governing foreign investment has been liberalized considerably and although there is still room for improvement in it, foreign investors (particularly from the U.S. and Common Market countries) are taking an active interest in Spain and a fairly strong movement of foreign investment has begun.

Opportunities for Canada

The Spanish market merits a second look on the part of any Cana-

dian exporter interested in doing business with the Common Market countries. The Stabilization Plan and the subsequent liberalization of 70 per cent of imports have greatly enhanced our possibilities of doing more business with Spain. Spain continues to be largely a market for Canadian raw and semi-processed materials and this business could be increased a good deal. Unfortunately, it is practically impossible to sell completely manufactured goods but some benefit may be derived from making local manufacturing arrangements. One alert Canadian exporter who found that he could do nothing with the shipment of his product from Canada has recently concluded a local manufacturing arrangement. This should give him a very fine return from Spain which he could get in no other way, and he is well satisfied with the deal that he has just concluded. Some of Spain's neighbours have resorted to these local manufacturing arrangements for many years and the trend is certainly in this direction.

Foreign investment in Spain may be attractive to certain Canadian interests but any prospective investment should be carefully surveyed on the spot. It is now quite easy to acquire a 50 per cent interest in Spanish companies and an expanding market of 30 million people certainly should not be disregarded. The Commercial Counsellor's Office of the Canadian Embassy feels competent to offer sound preliminary advice on any inquiry but, beyond that, the intervention of a responsible and experienced officer of the company interested is necessary.

Canadian sales to Spain last year totalled $10.2 million compared with $6.2 million in 1959. The leading exports were, in the mai[n] either agricultural or fisheries prod[uc]ts (such as flaxseed, $1.1 millio[n] and salt cod, $840,000) or ra[w] or semi-processed materials, suc[h] as aluminum ($3.0 million), shee[t] and strip steel ($1.2 million) an[d] asbestos fibres ($878,000). Amon[g] the products sold to Spain in 196[0] that were not exported in the pre[]vious year were flaxseed, canne[d] meats, prepared animal food, pulp[]wood, scrap iron, sheet and stri[p] steel, and copper scrap. This up[] trend continued in the first tw[o] months of 1961, when sales t[o] Spain reached $1.4 million a[s] against $1 million in 1960.

This seems to be an appropriat[e] time to review agency arrangement[s] in Spain or to make new ones, a[s] the case may be. The general trad[]ing picture has certainly improve[d] and renewed efforts to enter th[e] market may prove profitable. ●

COMMODITY NOTES

Asbestos Products

IRELAND—Fulgurit, Wunstorf of Hanover, West Germany, is to begin the manufacture in Southern Ireland of asbestos cement products. Output will include high pressure pipes, corrugated and flat sheets and roofing materials—Dublin.

Automobiles

SOUTH AFRICA—The Government is eager to increase the local supply of parts for automobiles and trucks assembled in the Republic above the present level of 20 per cent. New plants have recently begun producing brake drums, wheels and bumpers and the production of shock absorbers is planned for the near future—Johannesburg.

SWEDEN—Sweden's production of cars and commercial vehicles reached a new peak of 128,400 units in 1960. According to preliminary figures, Volvo, the largest producer, increased its output from 89,500 to 96,500 units and exports are estimated to have accounted for close to half of the aggregate Volvo turnover. Sales to the United States increased and new markets included Britain and West Germany. Sales on the home market were up 42 per cent. Scania-Vabi[s] production of trucks and buses was also up—from 5,100 to 6,400 units, including 470 which were manufactured at the company's factory in Brazil. New markets in 1960 were France and Austria.

Volvo plans to maintain its output at the 1960 leve[l] this year and Scania-Vabis will increase its output t[o] 7,100 units in Sweden and 1,100 units in Brazil—Stockholm.

WEST GERMANY—Production of automobiles increased to 751,039 units in the first four months o[f] this year, 9.1 per cent more than in the same perio[d] in 1960, according to statistics issued by the manufacturers association. Output of passenger cars alone ros[e] by 9 per cent to 605,687 units. A remarkable featur[e] was the above-average rise in the production o[f] medium-sized and large cars; output of small-size[d] cars remained steady and in some cases declined—Bonn.

Boats

JAPAN—Several Japanese firms hope to begin construction this summer of hydrofoil vessels. Shin Meiw[a] Industrial Co. started testing hydrofoil seven year[s]

ão and recently launched its fifth test vessel. Its ans call for the initial production of four or five -seater hydrofoils with a top speed of 40 miles an bur. Another major shipbuilding company—Hitachi ipbuilding & Engineering Co., Ltd.—expects to re- ive government approval soon for a technical tie-up th the Supramar A.G. of Zug, Switzerland. Hitachi s already imported for testing purposes two hydro- ils of Supramar design—one a six-seater, the other 17-seater.

Once government approval is obtained, the com- nies plan to begin work immediately on production four and six-seater hydrofoils. The Mitsubishi Ship- ilding Co. successfully tested a five-seater hydrofoil March, a 24-foot vessel with a top speed of 34 ots. Mitsubishi plans to build hydrofoil boats with capacity of eight passengers and suitable for tourist rposes, starting in June 1962—Tokyo.

pper

RAZIL—Annual consumption of copper totals ,000 tons valued at U.S.$20 million. Of this amount, ,000 tons are copper and alloys and the remaining ,000 tons are in the form of machinery, electrical paratus and equipment for the chemical industry. ost of this copper is purchased from the U.S., Japan, nelux, the United Kingdom, Chile, Mexico, Canada d Sweden. Domestic production of copper accounts r only 5 per cent of consumption—Rio de Janeiro.

ozen Foods

NITED STATES—Shoreline Enterprises of America, c., a division of Salada-Shirriff-Horsey Ltd., Canada, experimenting with frozen shrimp products (such creole, curry and newburg) in Tampa, Florida. The mpany is the first in Tampa's million-dollar shrimp dustry to conduct market tests in frozen foods. The w products would be sold under the trade name of 'Harbor House"—New Orleans.

on Ore

VAZILAND—Beginning in 1964, an estimated one llion tons of 65 per cent grade iron ore will be ported each year from Swaziland to Japan. The otectorate's first rail link will carry the ore to the ozambique port of Lourenço Marques for shipment -Johannesburg.

nseed Oil

DIA—India's exports of linseed oil have declined astically in the last three years. Total exports during 60 stood at only about 8,500 metric tons, less than lf the 18,771 long tons shipped in 1959 and well low the 21,727 of 1958. High domestic prices pear to be a major factor in the decline. The price in Bombay is currently 23 per cent above last year's and the price in the United Kingdom is reportedly £16 below the Indian price. Some trade circles suggest that a form of export incentive is required if exports are to be revived—Bombay.

Manganese

SOUTH AFRICA—A plant to recover manganese, used in the bleaching of uranium oxide, has begun operations in South Africa. Using an electrolytic process, it is scheduled to produce 2,400 tons of high-purity manganese a year. The metal will be exported, increasing the Republic's foreign earnings by $1½ million a year—Johannesburg.

Nuclear Reactor

TAIWAN—The first atomic reactor in South East Asia began operation in Hsinchu, Taiwan, in April, thus ushering in the age of nuclear research for the Republic of China in the fields of industry, agriculture and medical therapy. The reactor has been installed in the National Tsinghwa University's Institute of Nuclear Science and went into operation in mid-April, when a uranium core was lowered to the bottom of a specially designed "swimming pool". The reactor is housed in a NT$14 million modern five-storey structure. The reactor core, with dimensions of only 15 by 18 by 25 inches, is surrounded by water and a concrete shield eight feet thick.

The Taiwan Sugar Corporation and the Chinese Petroleum Corporation will take an active part in the nuclear research made possible by the new installation. The Taiwan Power Company will also use the reactor to study the possibility of establishing a nuclear power plant in Taiwan at some time in the future.

In addition to training Chinese scientists, the nuclear research facilities in Tsinghwa University are open to other Asian countries. Thailand, the Philippines and Japan will send nuclear scientists there in the near future to observe the reactor's operation.

About U.S.$1.1 million went into reactor equipment and civil engineering work. Some U.S.$800,000 of the money came from interest on the Tsinghwa Endowment Fund over the last three years, plus a loan from the fund. The U.S. Atomic Energy Commission has promised to grant U.S.$350,000 after the completion of the reactor—Manila.

Salk Vaccine

AUSTRALIA—A more powerful version of the U.S. Salk anti-polio vaccine is being developed at the Commonwealth Serum Laboratories in Melbourne. It is expected to raise the protection rate for immunized people from 90 to 95 per cent. Clinical tests will begin in a few months and mass doses will be available in the next 12 months. Since the first of 3.4 million

people now immunized completed the two-year course of injections two years ago, only four have been stricken by polio. By comparison, 56 Australians among the remaining two-thirds of the population who had not been immunized were affected by polio during the same period—Melbourne.

Sulphur

FRANCE—French production of sulphur increased from 426,000 tons in 1959 to 785,000 in 1960, a rise of 84 per cent—Paris.

Textiles

JAPAN—Shrinkproof "wash and wear" cotton fabrics are to be produced in Japan under contract arrangements approved recently by Japan's Foreign Investment Council, an advisory body to the Finance Ministry. Sources in the cotton-spinning industry here state that agreements to provide technical knowhow have been reached between six Japanese firms and Joseph Bancroft and Sons of Wilmington, Delaware, and by Deering Milliken and Company of New York with Sumitomo Shoji Kaisha Ltd.—Tokyo.

TV Picture Tubes

PHILIPPINES—The Philippines' first TV picture-tube factory has recently been established, the second plant of its kind in the Far East. In addition to manufacturing television picture tubes, it will recondition old ones. It is claimed that the local plant will be able to supply the picture-tube requirements of the entire country, thus saving foreign exchange. It should also reduce the selling price of TV sets and make television available to more homes—Manila.

Wool

AUSTRALIA—Proceeds from wool sold in Australia during the first nine months of the 1960-61 selling season declined 18.5 per cent compared with the corresponding period last year. Proceeds for the nine months ended March 31 totalled £239.3 million—£54.3 million less than at March 31, 1960. Bales sold numbered 3,678,117—a drop of 259,314. Average price per pound was 51.65 pence—a fall of 7.86 pence. Price per bale was £65.1.1d., down £9.10.2d. During March, sales realized £33.7 million, or £7.6 million less than for March 1960. Bales sold during the month totalled 488,776—78,984 fewer than for the previous March—Melbourne.

Wood Pulp

SWEDEN—Total output of chemical pulp in 1960 amounted to approximately 3.9 million tons, compared with 3.4 million tons in 1959. The production of sulphite pulp is estimated to have risen from 1 to 1.5 million tons, and of sulphate pulp from 1 to 1.3 million tons. Exports of chemical pulp rose fro 2.3 million tons in 1959 to 2.5 million in 1960.

Total production of mechanical pulp is estimat at 1.2 million tons in 1960 compared with 950,000 1959, including an increase from 400,000 to 475,0 tons for market pulp. Exports rose from 360,000 415,000 tons.

The production of semi-chemical pulp, made chie from hardwood, has also expanded in recent years. Th type is still being used almost exclusively in integrat production of paper; of the 60,000 tons produced 1960, only 12 tons were exported—Stockholm.

Trade Commissioners Coming to Canada

THE following officers of the Trade Commission Service are returning to Canada this year for hon leave. A number of them will also tour the count to talk with businessmen; their tour schedules will announced in "Trade Commissioners on Tour" wh arrangements are completed. Please note that th information given here is subject to change as the nee of the Service dictate.

L. H. Ausman, Commercial Counsellor in Brussels, l Belgium June 27 for home leave and tour. He will retu to Brussels in October.

H. E. Campbell, Trade Commissioner in Kingston, l Jamaica June 17 for home leave. He will be transferred Bonn, West Germany, as Commercial Counsellor on Se tember 2.

L. A. Campeau, Commercial Counsellor in Karachi, l Pakistan June 11 for home leave and tour. He will be tra ferred to Beirut, Lebanon, as Commercial Counsellor, October 16.

W. Gibson-Smith, Commercial Counsellor in London, depa from England on August 1 for home leave. He will return London on September 28.

I. V. Macdonald, Commercial Secretary in Colombo, lea Ceylon about September 9 for home leave and transfer to new post.

T. G. Major, Consul General and Trade Commissioner Manila, leaves the Philippines July 20 for home leave a tour. He will return to Manila in mid-September.

H. W. Richardson, Commercial Counsellor in Lagos, l Nigeria May 27 for home leave and tour. He will retu to Lagos about mid-September.

S. G. Tregaskes, Commercial Counsellor in London, left E land June 13 for home leave. He will return to London September 7.

W. Van Vliet, Commercial Counsellor in Moscow, left t U.S.S.R. June 12 for home leave and tour. He will be tra ferred to Washington as Agricultural Counsellor on October

Czechoslovakia Begins Third Plan

Emphasis upon agriculture in Third Five Year Plan may mean larger purchases from Canada of animals and poultry for breeding, grain, special types of agricultural machinery. Currently Czechs buy from Canada mainly minerals and plastic raw materials.

R. A. KILPATRICK, *Attaché, Canadian Legation, Prague.*

Czechoslovakian industrial workers, on the average, have the highest productivity among the Soviet Bloc countries. Though much of the emphasis is on heavy industry, others turning out musical instruments like these saxophones also flourish.

THE year 1960 was particularly significant for Czechoslovakia because it was the final year of its second five-year economic plan. The state-controlled economy operates within a series of five-year plans which are further broken down to indicate the annual rate of development. These plans outline the progress expected in all economic fields, indicate the amount of capital expenditure allocated to each sector, and regulate the volume and direction of foreign trade. Directly and indirectly, the five-year plans adopted by the State therefore have a considerable bearing on the potential for Canadian exports to Czechoslovakia.

Last year was, on the whole, considered by Czechoslovakia to be a very successful one, with the volume of production, according to official statistics, increasing by 11.7 per cent over 1959 and exceeding the planned rate of expansion. Canadian sales to Czechoslovakia continued to rise and showed some diversification in products.

Industrial Growth

Although the large majority of national productive enterprises in the state-controlled economy of Czechoslovakia did exceed planned production last year, certain segments of the economy lagged and the result was a somewhat unbalanced advance. As planned, the greatest increases occurred in the heavy and general engineering industries, the chemical industry, and in factories producing building materials. Production increases in these enterprises accounted for more than 50 per cent of the total rise in industrial production; the engineering industry produced no less than 33.7 per cent of the total Czechoslovak output.

In recent years, it has been recognized that the average productivity of industrial labour is higher in Czechoslovakia than in any other Communist Bloc country. The 1960 results show that the Czechs have no intention of relinquishing this position. Last year, productivity per

capita and per hour per worker both increased by 6.9 per cent over 1959, according to Czech statistics. It is also noteworthy that, at a time when production costs in capitalist countries are increasing, the Government of Czechoslovakia claims that total production costs in industry decreased by 2.2 per cent, despite the fact that material costs did not fall and that the labour force grew by 97,000.

Agriculture

In comparison with 1959, gross agricultural production in 1960 increased by 7 per cent, according to preliminary official data, including 12 per cent in crop and 1.2 per cent in animal production. However, 1960 was not, on the whole, a good year for Czech agriculture; though the sugar-beet crop was much larger, output of other important agricultural products decreased, it is understood.

In 1960, Czechoslovakia harvested 1.5 million metric tons of wheat compared with 1.65 million in 1959, according to Czechoslovak statistics. Production of rye also dropped by almost 100,000 metric tons, but production of oats and barley increased. Animal production was apparently disappointing: as of January 1, 1961, there were 4,387,000 cattle in Czechoslovakia compared with 4,303,000 a year earlier. The number of pigs went up from 5.7 to nearly 6 million during the same period.

Czechoslovakia is not self-sufficient in agriculture and this segment of the economy continues to receive great emphasis.

Foreign Trade

Last year, according to Czechoslovak statistical sources, the total value of foreign trade increased 12.5 per cent, resulting in a turnover of 27,429 million Czech crowns. Exports totalled 14,357 million crowns and imports 13,072 million. Approximately 70 per cent of the country's imports consisted of products of other Communist countries. It is also interesting to note that fuel and raw materials made up 53.1 per cent of Czech imports, foodstuffs 22 per cent, machinery and equipment 21.6 per cent, and consumer goods only 3.8 per cent. Among Czechoslovakia's major suppliers outside the Communist Bloc are West Germany, Britain, Austria, Switzerland and the Netherlands.

The foreign trade of Czechoslovakia is carried out by a number of state-controlled "foreign trade corporations", each of which is the sole importer and exporter of a specific range of commodities. This has advantages for Canadian exporters, who can easily contact the one and only possible importer or exporter of any one commodity. Naturally these corporations are influenced by the needs of the end users, to whom imported goods are sold, and in selling to Czechoslovakia, Canadians should make an effort to contact end users as well as the trade corporations. (See "How to Trade with Czechoslovakia" in the February 27, 1960, issue of *Foreign Trade* and "How to Advertise in Eastern Europe" in the February 11, 1961, issue.)

Czechoslovakia, like other Communist Bloc countries, adopts a bilateral approach to trade. However, it is willing to deviate from this doctrine to import raw materials and machinery vital to the development of the economy. Fortunately, Canada has a number of industrial raw materials of interest to the Czechs and there may also be opportunities for Canadians to sell productive capital goods there.

Canadian Trade with Czechs

Canada's exports to Czechoslovakia rose by more than 37 per cent in 1960 to $6.77 million; Czechoslovakia's exports to Canada totalled Can.$6.66 million. Not only did Canada's exports increase in 1960 but there was an encouraging diversification of the goods sold.

As in 1959, nickel, valued at approximately $4 million, was our major export to Czechoslovakia. Synthetic rubber ranked seco with exports worth slightly m than $1 million. The Czechs p chased aluminum for the first ti in a number of years and sales asbestos increased considerat The year also saw the first s of Canadian purebred cattle Czechoslovakia.

Czechoslovakia's exports to C ada cover a wide range of goo the major ones are textiles (incl ing footwear), machinery a glassware, but numerous ot products, including Skoda au mobiles, are included in the l The export corporations sell dir to Canadian importers as well through their own agent, Om trade, in Montreal.

Early in 1961, Czechoslova contracted to buy a large quant of Canadian wheat, the value which will greatly exceed Canad total sales to Czechoslovakia 1960.

Opportunities for Canada

As mentioned previously, Czec oslovakia operates on an econon philosophy that favours bilate trade. As large purchases of wh will undoubtedly swing the balan of trade heavily in Canada's favo this year, difficulties may arise extending the range of Canadi exports to Czechoslovakia. Ho ever, this may not have too serio an effect on Canadian sales of sential raw materials or producti goods.

Czech agriculture is still co paratively weak and gives the Cze authorities a good deal of concer this has resulted in great empha on agriculture in the third five-ye plan now under way. There are di tinct sales possibilities not only f grain but also for animals ar poultry for breeding and for sp cialized agricultural machinery, is felt.

The Czech budget for 1961 pr vides 813 million crowns for t fertilization of the soil, an increa of 88 per cent over 1960. This a field well worth investigation both Canadian fertilizer produce

nd perhaps also by manufacturers f equipment for applying fertilizer. (This is still largely a manual task Czechoslovakia.) The number of ittle in Czechoslovakia has in-reased only a little and there hould still be a market for high uality cattle hides to supply the eather industry.

The Czechs are concerned about heir lumber industry and have admitted that there is little mechanization in this field and that progress is slow. This appears to be another field that Canadian manufacturers might investigate.

It is advisable that Canadian firms seriously interested in the Czech market visit the country. Prague is easily accessible from principal Western European centres and a short visit will suffice because of the centralization of prospective purchasers. The Commercial Counsellor and the Assistant Commercial Secretary at the Canadian Embassy in Vienna make regular visits to Czechoslovakia and both they and permanent officials at the Canadian Legation in Prague will be pleased to help Canadian businessmen looking for trade opportunities in that country. ●

Colombia Expands Its Metallurgical Industry

Canadians can still sell transportation equipment and heavy machinery to Colombians, but growing domestic industry is curtailing market for imported finished and semi-finished metal products.

H. BAILEY, *Commercial Secretary, Bogotá.*

COLOMBIA now has over 1,200 nterprises in the metallurgical field, mploying about 30,000 workers nd producing over $140 million orth of metal products a year. nder the Government's policy of rotecting national industries, it is xpected that new plants will be uilt and that the established ones ill continue to expand and diverfy their production. As a result, anadian businessmen will find the olombian market for imported etal products becoming more and ore restricted.

teel Industry Established

The Colombian economy received a severe blow during the econd World War when imports of metal products from Europe were cut off and the North American countries, fully engaged in the war effort, were unable to spare steel and other metals for their South American neighbours. In the hope of avoiding such a problem in the future, the Colombian Government decided when the war was over to push ahead with the development of a national steel industry. As a result, the Paz del Rio steel mill came into production in 1955 and last year turned out 125,000 tons of finished steel. The company is planning to install a rolling mill (originally made in Canada and sold to Chile) and make other additions to its assets, which now total more than $100 million. With this new equipment, and technical assistance from the Koppers Company, it is expected that the 7,000 employees of this mill will be able to step up output to 200,000 tons in the near future.

In addition to this nationally owned steel mill, there are several private ones. The most important is the Siderurgica de Medellin, which produces steel from scrap in a series of electric furnaces. Another is the Siderurgica Valle de Tenza which produces ten tons of iron a day from hematite.

Allied Industries

As the accompanying table makes plain, Canada has never been a large exporter of raw iron and steel

to this country, except for stainless steels. Therefore it is the growth of the industries making finished and semi-finished metal products that will have the greatest adverse effect on our sales. The largest expansion is in the following fields (with steel consumption in tons shown in brackets): tools (60,000), mechanical equipment (75,000), electrical equipment (25,000), and transport equipment (60,000). In addition, the production of appliances, metal furniture, and construction equipment is increasing substantially. In appliances, for example, one locally owned factory is already producing 120 refrigerators a day and early this year the largest appliance manufacturer in the United States opened a modern factory in Bogotá. In the metal furniture field, production now equals the domestic demand for furniture and equipment for offices, hospitals, warehouses, kitchens, and schools.

What Canadians Can Sell

In the important transportation and machinery fields, it will be many years before Colombia will be in a position to supply her own needs. Canadian exporters, though faced with keen competition from the United States, Europe and Japan, can therefore expect to obtain some business. At present most heavy transportation equipment is imported: diesel locomotives from the United States, railway rolling stock from Sweden, pipeline equipment from Germany and Japan, aircraft from the United States and Canada, truck and bus chassis from the United States and Europe, and so on. Similarly, all types of heavy machines are imported: mills, drills, and lathes; pumps of all types; diesel and gas engines; turbines and generators; air compressors; mining equipment; bulldozers and road-making machinery; tractors and combines, etc. Little by little, however, Colombians are entering these fields. Paz del Rio is now supplying steel rails for the rapidly expanding railway system and the Empresa Siderurgica de Medellin wheels and axles for railway rolling stock. A number of firms are building truck bodies which are placed on imported chassis and this year a large United Kingdom company will begin the production of automotive vehicles at the rate of 5,000 a year. Several other firms have started to turn out (usually under a licensing agreement from abroad) boilers, light switchgear equipment and transformers, and fractional horsepower motors.

New Developments

So far only iron and steel production and products have been mentioned. In the other metalworking industries, production has also risen. For a number of years there has been an aluminum rolling mill and extrusion plant at Barranquilla making aluminum siding, extrusio for window frames, etc. A new or Aluminio ALCAN de Colombia, coming into operation in Cali th year; it will also produce extrud and rolled building materials fro Canadian metal and will include its line aluminum wire, condui pipe, and both corrugated and pla aluminum sheet.

A United States mining compa announced in March that it wou build a lead and zinc refinery in t western part of the country but date no figures on investment production have been made publ It will be the first such plant Colombia.

CANADIAN METAL AND MACHINERY EXPORTS TO COLOMBIA

Products	1959	1960
	(in Can. dollars)	
Iron and steel bars	23,000	
Structural steel		20,000
Sheet and strip steel	388,000	
Sheet and strip carbon steel H.R.		536,000
Marine engines	122,000	122,000
Locomotives	14,000	18,000
Aircraft engines and parts	460,000	492,000
Miscellaneous engines	62,000	184,000
Reapers, threshers or combines	289,000	231,000
Cultivators	30,000	60,000
Harrows	19,000	43,000
Ploughs, discs and parts	40,000	131,234
Tractors, farm	26,000	95,000
Mining machinery	15,000	32,000
Bookkeeping, calculating machines	11,000	187,000
Miscellaneous machinery and parts	590,000	284,000
Metalworking machinery, n.o.p.		148,095
Motor vehicles and parts, n.o.p.	277,000	16,000
Textile machinery	4,000	179,000
Lanterns of metal	114,000	147,000
Miscellaneous iron products	18,000	12,000
Aluminum products	464,000	521,000
Copper and brass	331,000	495,000
Lead	1,000	8,000
Nickel	3,000	2,000
Electrical equipment	289,000	124,000
Miscellaneous metals, unmanufactured, n.o.p.	35,000	40,000

Precious Metals

Colombia produces about 40(000 ounces of gold a year, 95 p cent of which comes from go dredging operations directed by Vancouver company on tributari of the Magdalena River and tl remainder from hard-rock min and sluices in the western Depa ments of the country. Silver is al produced in the same sections- usually as a byproduct of gold mi ing—and annual production ave ages about 120,000 ounces. Th however, is insufficient for the nee of the country and up to 10,3(ounces of silver are imported eve year, usually from Mexico and tl United States. Platinum is mined l one United States company; pr duction amounts to 28,000 ounc a year.

Kuwait Changes Currency

A new currency, the Kuwaiti Din has been introduced in Kuwait to repla the Indian (Gulf) Rupee formerly use The Dinar, which is divided into 1,0 Fils, is valued at 2.48828 grams of pu gold or the equivalent of one pou sterling.

The substitution of the Kuwaiti Din for the Gulf Rupee took place betwe April 1 and May 12, at the rate of o Rupee for 75 Fils. As of May 13, t Dinar is the only legal tender. T Currency Board has been given t authority to mint five-Dinar gold coi but these have not yet been issued.

How to Obtain UL Approval

Are you trying to sell a product in the United States that should first be tested and approved by Underwriters' Laboratories? Failure to realize the need for testing has delayed and sometimes even prevented sales to U.S. customers.

NEIL CURRIE, *Vice Consul and Assistant Trade Commissioner, Chicago.*

CANADIAN manufacturers who wish to sell in the U.S. market are not always aware (or not convinced) until quite late in their promotion campaign that their products have to be approved by Underwriters' Laboratories, Inc., before leading marketing organizations will handle them. In fact, in some cases these products must receive UL approval before they may be sold in certain states. Failure to obtain this approval in good time when sizable orders are pending has sometimes resulted in the loss of valuable business and at other times caused costly delays.

Not all products require UL approval but, generally speaking, electrical products of 100 volts or more, heating equipment, safety equipment and other products dealing with public safety may not be sold in many municipalities or states without the UL stamp. Firms enjoy lower fire insurance rates if their equipment has UL approval and large retail organizations make it a rule not to handle goods that are not approved.

Testing Procedure

UL was founded in 1894 under the sponsorship of the National Board of Fire Underwriters, an association of capital stock fire insurance companies, and in 1901 the organization was chartered as a non-profit corporation. Head office of UL is at 207 East Ohio Street, Chicago, where extensive testing facilities are maintained. There are two testing stations at 2250 Dundee Road, Northbrook, Illinois, at 161 Sixth Avenue, New York, 13, New York, and at 1655 Scott Boulevard, Santa Clara, California.

A manufacturer seeking approval for a product should write to the head office of Underwriters' Laboratories or to any of the testing stations, giving a complete description of the product, its character, purpose, size and rating, etc. If the testing station to which he has written does not test this type of product, the inquiry will be forwarded to the proper station. For instance, electrical equipment can be tested at any of the addresses mentioned above, but fire safety equipment and building materials are tested only at Northbrook.

The manufacturer will receive immediately a copy of the Laboratories' standards, if there are standards for the product to be tested. He will also get an application form, specifying the cost limit of the tests, the responsibility of Underwriters' Laboratories, the preliminary deposit required, the work to be performed, and an estimate of the time needed, plus the extent of inspection service to be established if and when the product is approved.

The manufacturer or his representatives may witness the tests if they wish. In case of disagreement, the question may be submitted to the National Bureau of Standards, which may or may not consider it important enough to be investigated.

If the product cannot readily be shipped to the Laboratories, it may be examined at the factory or at a point of installation, but all extra costs involved are also for the account of the manufacturer. Preliminary reports may be made from the examination of detailed blueprints, data, etc., giving (among other things) the maximum cost as well as an estimate of the time required for the tests.

Although Underwriters' Laboratories has set up an office in Canada, UL of Canada now is incorporated separately and approval by Underwriters' Laboratories of Canada is not valid in the United States, nor has approval by the Canadian Standards Association any formal standing there.

Underwriters' Laboratories is divided into five engineering councils or testing divisions, as follows: fire, automotive, casualty, electrical, and burglary protection.

Approved Companies Listed

A little known service of Underwriters' Laboratories is the annual publication of lists of submitting firms whose products are approved and are subject to one form of the inspection services provided by UL. These lists and bimonthly supplements are published regularly as follows:

Building materials, January
Fire protection equipment, January
Electrical appliances and utilization equipment, May
Electrical construction materials, May
Hazardous location equipment, May
Accident, automotive and burglary protection equipment, September
Gas and oil equipment, November
Bimonthly supplements to all lists, beginning of February

A manufacturer will probably want to have some idea whether his product will be acceptable before spending the time and money

necessary to obtain UL approval. Preliminary correspondence with the Laboratories costs nothing and once the manufacturer has decided to try to sell in the United States, he should give top priority to his application because he will be unable to enter into serious negotiations without it. Although a sample may be sitting on the buyer's desk, until it has UL approval it means little more to him than a gleam in the manufacturer's eye.

A booklet outlining in general terms the services and methods of Underwriters' Laboratories, Inc., called *Testing for Public Safety,* may be obtained by writing either directly to UL or to the Consul and Trade Commissioner of Canada, Canadian Consulate General, Su 1412, 111 North Wabash Avenu Chicago 2, Illinois. It covers su mittal procedure, engineering cou cil procedure, and reports and li ing; gives general information abo the cost of investigations and te and the follow-up program, a lists the published standards f various products. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

Bermuda

CUCUMBER IMPORTS PROHIBITED—The following announcement appeared in the Bermuda *Official Gazette,* dated Saturday, May 27, 1961: "The Board of Agriculture hereby prohibits the import of cucumbers with effect from May 29, 1961, until further notice."

CAULIFLOWER IMPORTS PERMITTED—The following announcement appeared in the Bermuda *Official Gazette* dated Saturday, May 27, 1961: "The Board of Agriculture hereby revokes the prohibition on the import of cauliflower with effect from June 2, 1961."

Japan

IMPORT CONTROL RESTRICTIONS RELAXED—In an import notice No. 5, dated June 1, 1961, the Ministry of International Trade and Industry announced a lengthy schedule of goods that are now admitted into Japan under the automatic approval system of import procedures, effective June 1. An over-all quota limit has been set up under the semi-annual foreign exchange budgets. Importers wishing to import any of the specified commodities from any origin may apply directly to the foreign exchange bank for permission, which is automatically granted until the quota is exhausted.

Some 195 separate statistical numbers are listed in the notice, covering some 128 different commodities. Commodities now admitted under the automatic approval system include: nickel; magnesium ingots and slabs; aluminum ingots, slabs, powder and flake; some 94 specified chemical items; raw and pure iron, iron and steel in primary forms, structural steel, certain iron and steel manufactures, railway rails.

New Zealand

FURTHER EXTENSION OF LICENSING PERIO—The New Zealand Government has announc amendments to the present 1961 Import Licensi Schedule that extend it beyond the March 31, 196 limit reported in our June 3 issue. Import licenc originally issued to cover the twelve months of 196 will now have to provide for imports through to Ju 30, 1962. Limited additional allocations for specif commodities or tariff items where judged necessary maintain production, employment and essential su plies have been provided. The next and succeedi import licensing years will begin on July 1, coincide with the introduction of the revised New Zealan tariff.

A new supplementary schedule showing addition quotas for a few products is to be published. Othe wise, present import licences equivalent in gener to 1960 imports will have to provide for an eightee month period or, alternatively, licence applications wi be considered individually.

The following products of interest to Canadian e porters will have the best supplementary quotas: sal piecegoods; cellophane; synthetic rubber; wall, fine an emery papers; sparkplugs; steel; galvanized iron; sof wood lumber and plywood; sausage casings; asbest fibre; plastic moulding powders. All these goods wi receive between 10 and 20 per cent increment on th present 1961 schedule as amended by the cancellatio of the replacement licensing category.

No extra quotas will be granted for salmon, sardine toys, sulphur, outboards or hardware generally. Prese licences for these products will have to suffice for th entire licensing period.

Applications for licences for the import of spirits, ewsprint, machinery and machines generally, includ- ng office machines, will be treated on an individual asis.

epublic of China (Taiwan)

)FFICIAL EXCHANGE RATE REVISED—Effec- ve from June 1, 1961, the Government of the Repub- c of China reset the official exchange rate at New 'aiwan $40 to United States $1.00, without differen- ating between buying and selling. The former rate of IT$36.38 selling and NT$36.08 buying was thereby bolished. By this action the Government of Taiwan nally closed the gap between the official exchange rate nd the exchange certificate rate. The result of the eform is that there will be no difference between the fficial rate and the foreign exchange certificate rate. 'he official exchange rate between the New Taiwan ollar and other foreign currencies will also be adjusted.

Exporters will benefit from the new official rate vhich makes no difference to importers. In the past, xporters given foreign exchange certificates have been elling them on the market for a price between NT 39.78 and NT$39.89. Now foreign exchange receipts rom general exports or inward remittances can be old to the Bank of Taiwan at NT$40 to U.S.$1.00. mporters who have foreign exchange certificates at and can use them to apply for import foreign ex- hange settlement.

t. Helena

MPORT CONTROLS—Confirmation has recently een received from the mid-Atlantic British colony of t. Helena that all import restrictions against dollar oods have been removed. St. Helena's total annual nports approximate one half million dollars, of which 'anada's share in recent years has been negligible, lthough some flour sales have been made in the past. 'anadian goods receive preferential treatment in this ny market.

Jnited Kingdom

MPORT CONTROLS REMOVED—The Board of 'rade has announced that effective August 1, 1961, ontrol will be removed from dollar imports of canned ruit (other than canned apples and canned citrus), vine, beer and gin.

Jnited States

'ARIFF INVESTIGATION OF RYE, RYE FLOUR, ND RYE MEAL IMPORTS—The Tariff Commis- ion published in *The Federal Register* of Saturday, une 17, the following Notice of Investigation and Date f Hearing:

"Investigation instituted. By direction of the Presi- ent, the United States Tariff Commission, on the 14th day of June 1961, instituted, and hereby gives notice of, an investigation under section 22(a) of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), and Executive Order No. 7233 of November 23, 1935, for the purpose of determining whether rye, rye flour, and rye meal are practically certain to be imported into the United States after June 30, 1961, under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for rye undertaken by the United States Department of Agriculture pursuant to sections 301 and 401 of the Agricultural Act of 1949, as amended, or to reduce substantially the amount of products processed in the United States from domestic rye.

"Public hearing ordered. A public hearing in connection with this investigation will be held in the Hearing Room, Tariff Commission Building, Eighth and E Streets NW., Washington, D.C., beginning at 10 a.m., e.d.s.t., on the 11th day of July 1961. Interested parties desiring to appear and to be heard at the hearing should notify the Secretary, United States Tariff Commission, Washington 25, D.C., in writing, at least three days in advance of the date set for the hearing."

Venezuela

EGG IMPORTS RESTRICTED—The Ministry of Development has announced that, effective June 13, 1961, no further licences for egg imports will be issued until August 1, because of a surplus of local production on the Venezuelan market. On August 1 the Ministry will review the subject again in the light of market conditions at that time—Caracas.

IMPORT REGULATIONS—The *Official Gazette*, No. 26,579 of June 15, 1961, published a decree, issued by the Ministries of Development and of Finance, according to which the following customs tariff items are subject to compulsory import licensing as per the date of publication of that decree:

013-09-02—extracts, essences, soups, broths and nutritious juices derived from marrow, bone or meat of all kinds, in liquid, solid, paste or powder forms, in any kind of container, and other meat preparations, n.e.s.

032-01-07-1—soups and broths, of fish and crustaceans

032-01-07-2—soups and broths of molluscs

055-02-01-3—other vegetable soups, n.e.s.

—Caracas.

Reprint Available

"How the Government Finances Long-Term Exports", an article explaining the new government facilities for long-term financing of exports, published in the March 25, 1961, issue of Foreign Trade, *has been reprinted. If you would like copies, write to the Editor, Department of Trade and Commerce, Ottawa.*

Belgium

FOREIGN INVESTMENT—During 1960, United States investment in Belgian industrial development amounted to about $47 million and created 2,110 new jobs. Investment from other countries of approximately $25 million provided employment for an additional 1,475. Seventy-seven new enterprises were involved—Brussels.

Brazil

INDUSTRIAL GROWTH—According to a United Nations study, *Patterns of Industrial Growth 1938-1958,* Brazil has progressed in twenty years from third to first place as Latin America's most highly industrialized country. In 1938 Argentina was the leading manufacturing country in Latin America, accounting for 31 per cent of the region's total industrial output, followed by Mexico (20.1), and Brazil (16.8). In 1953 Argentina with 23.1 per cent of the total was still first, but followed now by Brazil with 22 per cent. During the following five years, Brazil forged ahead and became Latin America's foremost manufacturing country, with over 23 per cent of total output in 1958—São Paulo.

Denmark

FARM MECHANIZATION—Since the war the number of horses used on Danish farms has fallen from 600,000 to 200,000 while the number of tractors has risen from 6,000 to more than 111,000. There are approximately 8,000 combines and 21,000 silage machines in the country—Copenhagen.

Ecuador

HOUSING LOANS—A new bank is being established in Ecuador with United States and Ecuadorian Government participation which will provide mortgage loans for low-cost housing projects. Initial capital will total U.S.$10 million—Bogotá.

Greenland

FIRST SHARE COMPANY—The formation of the first share company in Greenland, by Greenlanders, is an historic event. The company is called "Greenlandia-fish", and will carry on fishing operations with its own and chartered ships, will cure the fish, and will conduct general trading and export operations—Copenhagen.

India

STEEL CABLE PLANT—A new plant to manufacture 3,600 tons per year of black and galvanized steel cables is to be built in the suburbs of Bombay. It reported that this will be the first such factory Western India and that it will go into production t the end of next year. Among the products to t manufactured will be high-tensile wire used in pr stressed concrete work—Bombay.

New Zealand

STEEL MILL—Good progress is being made on th erection of the £3.5 million steel rolling mill at Ot huhu. A spokesman for Pacific Steel Ltd. said the pla should be completed by the end of this year. Operation are expected to begin next January. A total of £1 million worth of overseas equipment, mostly from Au tralia, will be imported for the plant, including furnace overhead cranes and electrical gear. Scrap for the mi which will produce 50,000 tons of rolled steel a yea will be obtained locally—Wellington.

Peru

EXPORTS—Peruvian exports in 1960 probabl totalled U.S.$435 million, a marked increase ove previous years—(U.S.$340 million in 1959, $291 mi lion in 1958, and $330 million in 1957). This increas is attributed mainly to larger sales of copper, iron or and fish products—Lima.

Spain

STEEL WORKS EXPANSION—The Eximbank ha granted a loan of $18 million to S.A. Basconia an Altos Hornos de Vizcaya S.A., Spain's largest stee mills, to be used for the purchase of a hot rolling mi as part of their expansion programs; total cost estimated at some $31.6 million. (This figure include equipment for the manufacture of tinplate, previousl authorized.) It is hoped to complete the expansio program by 1964, at which time repayment of th loan over a period of 12 years will begin. The ne machinery will be installed at the factory in Basau (Vizcaya Province, Northern Spain), and maximur annual capacity is calculated at 450,000 tons of stee The manufacture of steel plate and a wide variety c steel products will help to cover Spain's total domesti requirements and will eliminate the need for costl imports—Madrid.

United States

HOUSING IN FLORIDA—The University of Miar Bureau of Business and Economic Research has pre dicted that Florida can be expected to be the mos active housing market in the United States during th next five years, particularly the Tampa Bay and th Orlando mid-state areas. According to the Bureau, th

oming five years will show a 31 per cent increase in ilding activity over the previous five, with Florida rpassing New York in volume of home construction. is also predicted that Florida will be the second rgest volume builder (home and commercial) in the nited States during the coming five years. An average of 112,000 new housing starts are expected annually through 1964, compared with an average of 85,500 starts for the five years 1955 to 1959. The building slump has improved slightly and the Orlando area alone is expected to average 10,000 new housing starts a year —New Orleans.

TRADE COMMISSIONERS ON TOUR

M. R. M. Dale

W. Jones

D. B. Laughton

Canada

. R. M. DALE, Trade Commissioner in Cape Town, South frica:

ontreal—July 17
ranby, Richmond—July 19
hetford Mines—July 30
uebec City—July 21
Montreal—July 24-28
Fort William—Aug. 4
Vancouver, Victoria—Aug. 7-22

When he completes his tour and home leave, Mr. Dale will turn to Capetown.

. JONES, Commercial Counsellor in Rio de Janeiro, Brazil:

akville, Hamilton—July 17
elland, Jerseyville, Brantford—July 18
Galt, Woodstock—July 19
London, Sarnia—July 20
Goderich—July 21

When he completes his tour and home leave, Mr. Jones will turn to Rio de Janeiro.

. B. LAUGHTON, Agricultural Secretary in London, ngland:

lmonton—July 17-18
algary—July 20
ancouver—July 24-26
Victoria—July 28
Kelowna—Aug. 1-2

When he completes his tour, Mr. Laughton will take home ave and then return to London.

Businessmen who wish to see these officers should get in uch with the Board of Trade or Chamber of Commerce in e cities mentioned, with the following exceptions. In Toronto, innipeg and Edmonton, the Trade Commissioners make eir headquarters at the offices of the Canadian Manufacturers ssociation; in Windsor, Ontario, at the offices of the Greater indsor Industrial Commission; in St. John's, Ottawa and ancouver, at the Department of Trade and Commerce; in ctoria at the Department of Trade and Industry, and in redericton at the Department of Industry and Development.

In Territory

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Cartagena and Barranquilla for the week beginning July 24, and Medellin from August 6-9.

R. A. BULL, Assistant Commercial Secretary in Bogotá, Colombia, will visit Quito and Guayaquil, Ecuador, during the week beginning August 14.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

E. H. MAGUIRE, Trade Commissioner in Singapore, will visit Kuala Lumpur, Port Swettenham, Ipoh, Penang, and possibly Malacca in the Federation of Malaya from July 24-29.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown, British Guiana, from July 14-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from July 17-19, and Prague, Czechoslovakia, from July 26-28.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from July 10-21.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey and Mr. Bull at Bogotá, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gallow at Johannesburg, Mr. Maguire at Singapore, Mr. Richardson at Port-of-Spain, and Mr. Wallace at Caracas.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .964146.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 3	Units per Canadian dollar	Notes (See below
Argentina	Peso	Free	.01258	79.49	
Austria	Schilling		.03979	25.13	
Australia	Pound		2.3138	.4322	
Bahamas	Pound		2.8923	.3457	
Belgium and Luxembourg	Franc		.02083	48.01	
Bermuda	Pound		2.8923	.3457	
Bolivia	Boliviano	Free	.00008826	11,330.16	
British Guiana	Dollar		.6026	1.66	
British Honduras	Dollar		.7231	1.38	
Brazil	Cruzeiro	Free	.004028	248.26	
		Special Category	†	†	
Burma	Kyat		.2178	4.59	
Ceylon	Rupee		.2169	4.61	
Chile	Escudo	Free	.9859	1.01	
Colombia	Peso	Certificate	.1548	6.46	
Congo, Republic of	Franc		.02083	48.01	
Costa Rica	Colon	Official	.1847	5.41	
		Controlled free	.1560	6.41	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1440	6.94	
Denmark	Krone		.1497	6.68	
Dominican Republic	Peso		1.03719	.96414	
Ecuador	Sucre	Official	.06915	14.46	
		Free	.05912	16.91	
Egyptian Region, United Arab Rep.	Pound	Official	2.9783	.3358	
El Salvador	Colon		.4149	2.41	
Fiji	Pound		2.6057	.3838	
Finland	Markka		.003241	308.55	
France, Monaco, etc.	New Franc		.2117	4.72	(
Franco-African Republics, etc.	Franc		.004234	236.18	(:
French Pacific	Franc		.01164	85.91	(:
Germany	D Mark		.2608	3.83	
Ghana	Pound		2.8923	.3457	
Greece	Drachma		.03457	28.92	
Guatemala	Quetzal		1.03719	.96414	
Haiti	Gourde		.2074	4.82	
Honduras	Lempira		.5186	1.93	
Hong Kong	Dollar	Free*	.1786	5.60	*June :
		Official	.1808	5.53	
Iceland	Krona	Official	.02729	36.64	(
India	Rupee		.2169	4.61	
Indonesia	Rupiah	Official	.02305	43.39	(
Iran	Rial		.01369	73.03	
Iraq	Dinar		2.9041	.3443	
Ireland	Pound		2.8923	.3457	
Israel	Pound		.5762	1.73	
Italy	Lira		.001671	598.44	
Japan	Yen		.002881	347.10	

†Exchange auctions will be held each week.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 3	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3298	3.03	
Mexico	Peso		.08298	12.05	
Morocco	Dirham		.2074	4.82	
Netherlands	Florin		.2886	3.46	
Netherlands Antilles	Florin		.5500	1.82	
New Zealand	Pound		2.8923	.3457	
Nicaragua	Cordoba	Effective buying	.1571	6.36	
		Official selling	.1470	6.80	
Nigeria	Pound		2.8923	.3457	
Norway	Krone		.1447	6.91	
Pakistan	Rupee		.2169	4.61	
Panama	Balboa		1.03719	.96414	
Paraguay	Guarani	Official	.008199	121.97	
Peru	Sol		.03867	25.86	
Philippines	Peso	Free	.3457	2.89	
		Official	.5186	1.93	
Portugal & Colonies	Escudo		.03620	27.62	(5)
Republic of South Africa	Rand		1.4462	.6915	
Singapore and Malaya	Straits Dollar		.3374	2.96	
Spain and Dependencies	Peseta		.01729	57.85	
Sweden	Krona		.2008	4.98	
Switzerland	Franc		.2403	4.16	
Syrian Region, United Arab Rep.	Pound	Free	.2898	3.45	
Thailand	Baht	Free	.04906	20.38	(4)
Tunisia	Dinar		2.4996	.4001	
Turkey	Lira		.1152	8.68	(4)
United Kingdom	Pound		2.8923	.3457	
United States	Dollar		1.0371875	.964146	
Uruguay	Peso	Free	.6828	1.46	
Venezuela	Bolivar	Official	.3096	3.23	
		Free	.2269	4.40	
West Indies Fed.	Dollar		.6026	1.66	(6)
	Pound		2.8923	.3457	(7)
Yugoslavia	Dinar	Official	.001383	723.06	

Notes

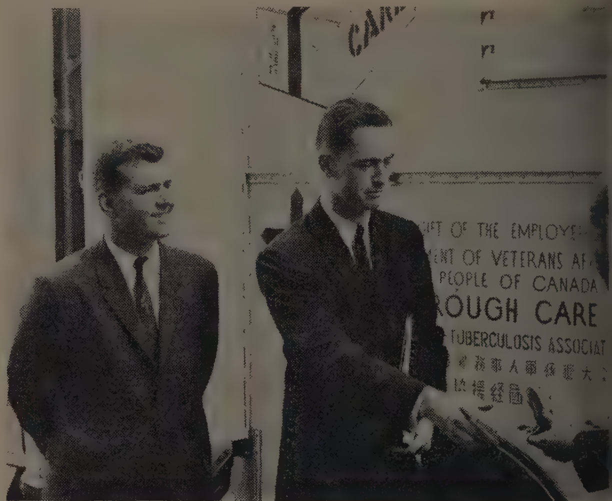
1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Trade and Commerce at Work

What are the duties of officers of the Department of Trade and Commerce? How do they assist Canadian businessmen? From time to time we plan, through pictures, to show these officials carrying out varied assignments.

One of the largest newspapers in the U.A.R., "Al-Ahram", rolls off the presses on Canadian newsprint. Watching are D. S. Armstrong (left), Commercial Counsellor in Cairo, and R. E. Eekaly, the technical director of the newspaper.

President and Frau Lubke and Mayor Brandt (centre) shown Canada's exhibit at the Berlin Green Week Agricult. Fair by J. A. Stiles, Canadian Commercial Counsellor in B (left) and C. C. Boxer (right) of the Canadian Wheat Bo



Canada's gift, through CARE, of a mobile X-ray unit is sented to Dr. the Hon. Sir Sik-nin Chau, chairman, Hong K Anti-Tuberculosis Association, by D. J. McEachran, cen. the Assistant Canadian Trade Commissioner in Hong Ko

P. V. McLane, Canadian Trade Commissioner in Glasg the Captain of the "Prins Casimir", and E. J. Ward, Assist Trade Commissioner (Timber), (left to right), witness unlo ing on Prince's Dock of 90,000 feet of Canadian lumb

Index of Articles in "Foreign Trade"

January-June 1961 Issues

Roger Duhamel
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How to Sell in Singapore (page two)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

JULY 29. 61

FOREIGN TRADE

JULY 29, 1961 Vol. 116 No. 3

C[O]VER: *Poised astride the main trading routes in South East Asia, trade has always been the life-blood of Singapore. The busy waterfront scene on our cover portrays that trade graphically. In the centre, a worker hoists on his shoulders a 250-pound bale of raw rubber; on the left, boxes of pineapple are stacked in a waiting boat for transfer to an ocean vessel.*

Established in 1904. Published fortnightly by the Department of Trade and Commerce.
The Hon. GEORGE HEES, Minister.
JAMES A. ROBERTS, Deputy Minister.
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How to Sell in Singapor

This godown (the local name for a warehouse), situated on the Singapore River, is owned by one of the large European mercantile houses prominent in the city's trade from the beginning. Many of these big trading houses maintain branches in various parts of South East Asia.

Shopping centre for South East Asia, Singapore has develop many import agencies, from large mercantile houses to small s cialized traders. Our Singapore office counsels Canadian export on selecting the right type to promote sales of their products.

KEITH O. HILLYER, *Assistant Trade Commissioner, Singapore.*

The Canadian exporter who wants to sell consumer goods such as textiles and food products often deals with small, specialized traders. Usually Chinese firms, they develop friendly contacts with small retailers. This street in Singapore is lined with their offices.

WHEN Sir Stamford Raffles first saw Singapore Island only 142 years ago, it was densely covered with tropical jungle and virtually uninhabited. Yet on this small island he visualized a city standing astride the trade routes between East and West.

History agreed with Raffles, for today the free port of Singapore has become the second largest port of the Commonwealth (ranking next to London in shipping tonnage), and the fifth largest in the world. The island, now an independent city state with full internal self-government, supports a total population estimated at over 1½ million. During Raffles' first year in the city, under the auspices of the British East India Company, trade grew from nothing to a value of Canadian [illegible] million. In 1960, trade passing through this free port was valued at over Can.$1,950 million.

Why Singapore Grew

The original site for the city was chosen because of its favourable geographical position in aiding and controlling trade. The Malayan peninsula jutting down into the Indian Ocean and the China Sea forces the sea lanes from India and Ceylon to China and Japan to dip southward and travel around Singapore Island. A natural refuelling and provisioning stop, the port became an ideal entrepôt for serving the Malayan peninsula and the islands of Borneo, Indonesia and Guinea. Singapore's traditional and carefully guarded status as a free port has strengthened its entrepôt function. Air transport has not lessened the importance of its geographical location because, although the state is not on the direct air route from the Far East to Europe and North America, it is an important stop on the air route from Australia to Europe.

The transportation services that Singapore can provide have proved important in fostering trade. Most of the goods transhipped in Singapore are unloaded from ships at anchor in the harbour onto lighters and transferred to coastal vessels or to warehouses along the Singapore River. The Singapore Harbour Board maintains wharves for berthing 21 oceangoing and 6 coastal vessels at one time. All of these wharves employ forklift trucks, elevating platform trucks, trailers and tractors. The Harbour Board also maintains over 1½ million square feet of shedding and six graving docks.

Singapore's International Airport, already handling an average of 75 international flights a day involving some 300,000 passengers a year, is currently being expanded. Part of a three-stage plan of airport development is a new operations building to accommodate control tower, workshops and weather offices. It was opened on April 8 during a nine-day International Air Show.

Singapore has developed special organizations to handle her large volume of trade. Not the least of these are the banking and insurance facilities that provide the financial resources required in large-scale trade. Many of the world's major banks and insurance companies, including two leading Canadian insurance companies, have branches here and several local organizations with adequate financial resources have developed over the years.

Large Mercantile Houses

Much of Singapore's trade is carried on by large mercantile houses of European origin; many of them were established shortly after Raffles' arrival. These firms, although controlled financially from capitals in Europe or North America, are operated independently and aggressively from local headquarters in Singapore. They maintain branches throughout the Federation of Malaya and the British North Borneo Territories, with sister organizations under separate management in one or more of the neighbouring South East Asian nations. With the coming of independence to the Federation of Malaya, many of the branches of Singapore firms in the Federation have been incorporated separately, though they continue to operate in non-competitive harmony with Singapore because of the close economic links between the two areas.

Because these companies handle a large volume and a wide variety of goods for both import and export, efficiency dictates departmental subdivision. One company may act as agents for several dozen foreign manufacturers selling several hundred different products. It may stock goods ranging from rasps and files to tractors, from linoleum to shirts, and from salmon to whisky. Import departments therefore often have separate engineering, consumer, food, pharmaceutical and chemical divisions, each functioning semi-autonomously but generally subordinate to the import manager. The larger trading firms maintain a full sales organization, with salesmen continually travelling over the entire area. These firms act as wholesalers, selling to dealers and retail outlets rather than individuals.

Outstanding among the advantages of these big commercial trading houses over their smaller competitors are their large financial resources. This assumes importance where big inventories must be held and extensive credit given. These resources also permit the hiring of skilled knowhow—chemists, engineers and agronomists. Competition in recent years from smaller firms has tended to force concentration on products needing these advantages for effective promotion.

Small Specialized Traders

As the size of the European trading organizations increased, so did their financial resources and their ability to promote products requiring a high degree of technical competence. All of this meant an increase in overhead costs. This development has brought about the rise of the small specialized trader dealing in products requiring small inventories and little technical service. The Chinese, long proved to

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be among the world's most competent traders, have led in the development of these small specialty houses, usually family owned, which operate with smaller overheads and on lower profit margins. Often competition from such outlets has forced the larger mercantile houses to drop consumer and food lines. Small traders are also able to develop close, friendly contacts with the small retailer, extending credit to him and advising him on which products to stock—a method that has proved particularly successful in the textile trade. Because Indians own and operate most of the dry-goods stores, Canadian firms have discovered that the Indian textile importer of moderate means has more success in selling to these retailers than do larger trading organizations. Several Indian firms have also become important in the distribution of food products, sporting goods, and chemicals.

Branch Offices

As interest in investing in the Federation of Malaya and in Singapore develops among sources of foreign capital, many exporters establish branch offices or associated companies to direct their trading activities in the area. This usually becomes the first step towards the establishment of manufacturing facilities to serve the local market.

Canadians Cultivate Market

Canadian exporters use all of the above types of traders to represent them in this market. Two Canadian distilleries are represented by large mercantile houses that maintain experienced liquor departments. On the other hand, a Canadian sporting goods manufacturer has chosen as his representative a smaller trader specializing in high quality sports equipment. A small food importer is doing an excellent job in promoting sales of a Canadian household bleach.

The choice of representative for any Canadian firm depends primarily on the product it wishes to sell. If the promotion of the product requires technical knowhow, it is usually prudent to choose a large mercantile house with a department that specializes in this type. To ensure that the new product gets adequate attention, some of the larger houses request the new exporter to stand the expense of hiring another full-time salesman for promotion work. On the other hand, products that require little technical understanding but need wide distribution can often be handled best by the smaller Indian and Chinese traders. Food products for the Asian population are almost exclusively marketed by such traders. Generalization about this is dangerous, however, because many smaller traders specialize in technical products and some large trading houses carry established consumer products for wide distribution. Recently a Canadian manufacturer of dental products appointed as distributor the largest dental-goods dealer in the area—a small Chinese firm specializing in dental products. The office of the Canadian Trade Commissioner in Singapore can assist any Canadian firm in making the right choice of agent. The Trade Commissioners can obtain information about the firm, the products it handles, and its methods and channels of distribution.

Problems of Choice

Two difficulties face a new Canadian exporter in choosing the best agent for his products. Although he may wish to be represented by a large mercantile trading house experienced in similar products, there may not be any such firms that do not already work for established competitors. He may be forced to use a smaller trading firm new to the market.

Second, most large mercantile houses are able to finance the purchase of goods to be distributed to retailers on credit terms. Small traders often lack the financial resources to do this. Sometimes Canadian exporters find it necessary to offer 60- or 90-day terms to s[...] firms to initiate orders. No be[...] credit information is available to [...] Trade Commissioner than the [...]nadian exporter can obtain thro[...] his bank, because no credit resea[...] organizations are active in the ar[...] However, the risk involved in p[...]viding such terms initially can [...] carried by confirming houses t[...] are familiar with firms in Singapo[...]

Singapore agents with bra[...] offices in the Federation can usu[...] cover both areas adequately. M[...] Singapore firms are also appoin[...] as representatives for Brunei, Sa[...]wak and North Borneo. Howev[...] the effectiveness of such an ag[...] depends on his contacts in those t[...]ritories, and it is becoming evid[...] that for concentrated coverage it [...] important to employ representati[...] in the territories themselves—eit[...] small traders or branches of t[...] larger mercantile houses. Singapo[...] firms often maintain stock for shi[...]ment to other South East Asi[...] markets, but for significant volum[...] separate agents in each country a[...] necessary.

Changes in the Air

Singapore keeps a wary eye [...] the development of extensive tra[...]ing facilities among the natio[...] around her whom she once servic[...] exclusively. Although her entrep[...] trade is not likely to decreas[...] Singapore probably will not pro[...] from all of the additional increa[...] in trade that the expanding eco[...]omies of Malaya and Indonesia w[...] be sure to generate. Both natio[...] are developing their own excelle[...] deep-water ports. Recognizing thi[...] Singapore has set herself the tas[...] of industrialization. Dr. Goh Ken[...] Swee, Minister of Finance for th[...] Government of Singapore, recentl[...] stated in an article in *Singapor[...] Trade:* "Singapore is determined t[...] enlarge the industrial sector of i[...] economy, with the most importa[...] qualification that this industrial ex[...]pansion shall be a complement t[...] trade and not a rival."

As a result, several of the olde[...] trading houses are investing fres[...]

capital in new assembly and manufacturing operations. The Government of the State has drawn up plans for an industrial subdivision of 1,700 acres, including deep-water berths, heavy industrial areas, residential areas and green belts. A United Nations survey team, including a Canadian steel specialist, has been in Singapore advising the Government on the development of a steel mill. Trade will continue to be the mainstay of Singapore's economic life, but more and more industry is being encouraged to locate here.

Canada's Position

Trade with Canada is an important segment of Singapore's total trade, although Canada is not one of Singapore's major trading partners. In 1959 the value of Canadian exports to Singapore and the Federation of Malaya totalled approximately Can.$3.27 million. In 1960, it rose to Can.$4.66 million and new opportunities for Canadian products continue to develop.

Singapore, although it is industrializing, will remain the shopping centre for South East Asia, featuring products manufactured in every corner of the globe. It will remain a thriving insurance, banking and trading centre whose industrious citizens enjoy the highest standard of living in Asia. Canadian products, if they are designed carefully and priced competitively, can be sold in this city-state. •

Ship through Chicago by Water

Exporters, especially of raw materials, should take a look at the inland waterways of the United States; modern barges carry cargoes to the Midwest and Southern States at competitive rates.

N. L. CURRIE, *Vice Consul and Assistant Trade Commissioner, Chicago.*

SAMUEL Clemens and the riverboat gamblers have long since disappeared from the Mississippi River and the fur-laden canoes have gone from the St. Lawrence and Great Lakes. Their places have been taken by men and ships no less colourful in their way, and quite as important to the economy of North America.

The two inland waterways—the St. Lawrence and the Mississippi—that together stretch from Quebec City to New Orleans join at one place, Chicago. And more than one-and-a-half million tons of waterborne Canadian goods move into or through this port yearly.

Canadian exporters to Chicago or to points as far south as New Orleans and southern Texas, especially exporters of raw materials, might well take a look at shipping by water. Harbour and channel improvements now under construction in the Chicago area at an estimated cost of $208 million make this possibility even more attractive.

Goods not destined for the Chicago area can be transhipped to modern barges carrying 1,800 tons each. Any number of these can be put together in a "tow" but generally the operators keep the number at between four and eight. A tow of fewer than four will likely be held up for a short time for more cargo; a tow of more than eight barges must be moved through the locks in stages. At least half a dozen major barging companies with modern docks, warehouses, barges, tow boats, and other equipment offer their services at very competitive rates.

Seven locks in the 327-mile stretch between Lake Michigan and the Mississippi River lower the barges 160 feet. The U.S. Army Corps of Engineers has prepared a plan for doubling the number of these locks when it becomes necessary. This part of the system is sometimes called the Illinois Waterway.

Facilities at Chicago

Of the various harbours included in the Port of Chicago, Calumet Harbour and Chicago Harbour are the principal links between the Mississippi barges and ocean-going ships and lakers. Of these, Calumet

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Harbour is the more important and it is this harbour with its connecting links that is now being improved. The project, called the Calumet-Sag Navigation Project, involves widening and deepening the canals to a minimum bottom width of 225 feet and a navigable depth of nine feet, as well as construction of additional shore facilities.

Some of these new shore facilities are completed. They include two grain elevators with a capacity of 6½ million bushels each, three transit sheds of 300,000 square feet

CANADIAN SHIPMENTS TO U.S. VIA PORT OF CHICAGO, 1959

(in tons)

Iron ore and concentrates	886,990
Newsprint	278,516
Non-metallic minerals manufactures, n.o.p.	141,003
Barley and rye	105,949
Pig iron	85,352
Cement	30,588
Iron, steel, semi-finished products	8,301
Iron and steel scrap	5,600
Wheat	4,528
Aluminum metal and alloys	4,066
Paper base stocks, n.o.p.	1,155
Rolled, finished steel mill products	107
Motor vehicles	94
Liquors and wines	64
Sisal, henequen, jute	26
Vegetable fibres, n.o.p.	10
Meat and meat products, including canned, n.o.p.	7
Spices	1

U.S. SHIPMENTS TO CANADA VIA PORT OF CHICAGO, 1959

(in tons)

Corn	327,145
Soybeans	288,162
Bituminous coal, lignite	112,308
Sulphur, dry	55,970
Rolled, finished steel, mill products	50,568
Ferro-alloys, ores, metals, n.o.p.	8,808
Coke, including petroleum coke	5,004
Residual fuel oil	4,470
Alcohols	3,081
Wheat	1,313
Machinery parts	328
Vegetables and preparations, canned	33
Molasses, sugar products, edible	31
Meat and meat products, n.o.p.	7
Low-valued shipments	5
Vegetable fibre manufactures, n.o.p.	2
Meat and products, fresh	2
Spices	1
Paper and manufactures, n.o.p.	1

each, one warehouse of 200,000 square feet, 14 miles of rail, 3,500 feet of channel cargo wharfage, and 2,000 feet of general cargo wharfage.

Still to be built are 250,000 square feet of warehousing, 10 million bushels more capacity in grain elevators, more transit sheds, general cargo wharfage, a tank farm for liquid bulk storage, truck terminals, and dry bulk storage docks.

A quick look at a line drawn on a map from Chicago to New Orleans will show the industrial centres accessible through this waterway. They include Joliet, Ottawa, Peoria, St. Louis, Memphis, Vicksburg, and Baton Rouge. At least one barge line with head offices in Chicago offers uninterrupted service as far as Brownsville, Texas, near the Mexican border. The system also handles inbound cargo. A Canadian Government official who toured this line recently watched the unloading in Chicago of French aluminum that had come through New Orleans.

Commodities Shipped

As might be expected, the goods moving through the system are largely bulk goods. Nearly 900,000 tons of Canadian iron ore and concentrates were shipped into or through the Port of Chicago by water in 1959. In addition, nearly 300,000 tons of standard newsprint, 100,000 tons of barley and rye, shipments of liquors and wines, automobiles, vegetable fibres, pig iron, scrap iron, semi-finished iron products and even spices travelled this route.

The accompanying tables show the types of goods that can be profitably moved in this way.

The Trade Commissioner in Chicago will be pleased to furnish any Canadian exporter or manufacturer wishing to explore the possibilities of shipping through Chicago by water with the names and addresses of the barge companies, the stevedoring companies, and firms operating shore-based facilities. ●

"Special Fund" Reports

THE Governing Council of United Nations Special Fund approved allocations totalling $ million to be used for assisting economic development projects in less-developed countries and te tories. Twenty-one of the new p ects are in the field of education training, 14 various types of surv (mineral, waterpower, river ba etc.) and seven applied resea (agriculture, forestry, industrial).

The following are the new proje

Argentina—Forestry training scho
Bolivia—Pilot mineral survey
Brazil—National forestry school
British Guiana—Reservoir survey
Burma—Lead and zinc survey
Cambodia—River delta survey
Cameroun—Teacher training schc
Chile—Instructor training centre
Colombia—Agricultural training centre
Cuba—Experimental farm
Cyprus—Agricultural research
Ecuador—Polytechnical school
Ghana—Public administration sch
Haiti—Animal husbandry project
Honduras—Pine forests survey
India—Petroleum exploration cer
India—Instructor training school
Iran—Vocational training centre
Iraq—Management training centr
Israel—Ceramic and silicate resea
Ivory Coast—Teacher training sch
Jordan—Groundwater survey
Korea—Agricultural survey
Laos—Mineral survey
Malaya—Telecommunications cent
Nepal—Hydroelectric development
Nigeria—Soil and water survey
Nigeria—Vocational training progr
Nigeria—Fisheries survey
Pakistan—Forestry research progr
Peru—Resources survey
Philippines—Telecommunications
Rhodesia—River basin survey
Saudi Arabia—Institute of technol
Senegal—Instructor training schoo
Sudan—Forestry research
Sudan—Land and water-use surve
Sudan—Teacher training school
Thailand—Productivity centre
Thailand—Technical institute
UAR—Institute of standards
UAR—Pesticides laboratory

These new allocations bring to Special Fund commitments to $ million, assisting 157 projects in countries and territories. The va of all projects assisted, including g ernment contributions, now to $304 million.

West Germany Buys Asbestos

Canada supplied over half the asbestos that West Germany imported in 1960 and the market is growing by 10 per cent a year; new uses are today creating opportunities for alert exporters.

RICHARD F. TURCOTTE,
Vice Consul and Assistant Trade Commissioner, Hamburg.

GERMANY is traditionally one of the world's best markets for asbestos. World asbestos production in 1959 was estimated at 2.2 million short tons and West German imports of raw asbestos in the same year stood at 102,700 metric tons, or approximately 5 per cent of world output. Canada in 1959 supplied 52.2 per cent of German raw asbestos imports and in 1960 this figure rose to 54.5 per cent.

German consumption of manufactured asbestos products has been increasing at the rate of about 10 per cent a year; spun asbestos products is the only field where no significant increase has appeared. This large growth in the German demand for asbestos is expected to be at least maintained; with the developing use of asbestos fibre for building material and flooring tiles, the demand for short-fibre asbestos will probably expand particularly quickly.

Raw Asbestos

As the statistics in Table I show, Canada has always been by far the leading supplier of raw asbestos to Germany. Until 1956 South Africa was the second supplier, but since 1956 the Soviet has succeeded in displacing her. The only other two suppliers of any significance are Rhodesia and Nyasaland and Italy. Italian asbestos shipments, though small, have been increasing fast. The importance of Soviet asbestos in the German market has certainly grown: in 1954 the U.S.S.R. supplied virtually none but by 1959, it held 20 per cent of the market. The Soviet has been shipping into Germany under the terms of the West German/U.S.S.R. trade agreement that establishes import contingents for Soviet asbestos. Following are the import contingents under the agreement, given in metric tons, with the actual corresponding imports in brackets.

1958	—	20,000	(17,650)
1959	—	25,000	(20,870)
1960	—	30,000	(27,550)
1961	—	35,000	——

Some of the experts in this field expect that the Soviet will fulfil its 1961 contingent of 35,000 tons. These experts assured me that there is no pressure or particular encouragement either by government or private enterprise to buy Soviet asbestos under the treaty agreement. However, it would appear that German processors who have been importing this asbestos have been happy with both the quality of the various grades shipped and, even more important, the prices. In past years Soviet asbestos quotations have been about 10 per cent below Canadian quotations for the equivalent grades.

Canadian raw asbestos, however, is still considered the norm for quality. The spinners like to blend the three main types of asbestos used in their industry—that is, the Canadian, the Soviet and the Rhodesian—to obtain the over-all qualities desired in workability and in the finished product. The Soviet and Rhodesian types of asbestos, for example are considered quite "dry" and by blending with the Canadian they attenuate the talc-like characteristic of the Canadian product. On the other hand, Rhodesian asbestos is considered to be at times somewhat brittle for spinning.

There are no customs duties or restrictions on the import of asbestos into Germany and none are planned for the final Common Market tariff.

The marketing structure for asbestos sales in Germany is based on the agency and the importer. All of the larger Canadian producers are represented by agents in Germany, mostly in the Hamburg area, who then contact the larger importers on distribution of the raw material. The importers then sell to the various asbestos processing mills according to their particular needs in grades and quality for the various end uses. It is worth noting at this point that for an asbestos supplier to try to deal directly with the German processor or even the importer is very difficult because of the large number of processors, their generally small size, and their geographic dispersion.

TABLE I

WEST GERMAN IMPORTS OF RAW ASBESTOS

		1954	1957	1958	1959	1960	Import tonnag as % of total 196
TOTAL:	*tons	38.3	93.3	81.1	102.7	132.6	99.6
	†DM	29.6	64.9	65.9	74.3	87.5	
From:							
Canada	*tons	27.9	58.1	38.8	53.7	72.4	54.5
	†DM	19.5	35.2	29.0	35.3	46.0	
U.S.S.R.	*tons	0.1	13.3	17.7	20.9	27.5	20.7
	†DM	0.05	10.6	14.7	15.6	16.8	
South Africa	*tons	6.6	10.2	14.9	14.7	16.4	12.7
	†DM	7.3	10.4	15.3	15.2	16.4	
Rhodesia and Nyasaland	*tons	0.7	5.5	3.7	3.4	6.4	4.8
	†DM	1.1	5.1	3.5	3.0	3.8	
Italy	*tons	0.3	1.9	2.3	4.7	3.6	2.4
	†DM	0.09	0.8	0.9	1.8	1.4	
Finland	*tons	1.3	1.3	1.4	1.5	1.7	1.0
	†DM	0.4	0.4	0.4	0.5	0.6	
Others: U.K., France, U.S., Denmark, Venezuela, Switzerland, Portuguese East Africa, Australia	*tons	1.4	3.0	2.3	4.1	4.6	3.5
	†DM	1.1	2.4	2.1	3.3	2.6	

*Thousands.
†Millions.

Processed Asbestos

In 1960, 132,600 metric tons of raw asbestos were imported into Germany. It was divided among the various consumers as follows:

• *Asbestos Cement*—The production of asbestos cement consumes by far the largest amount of raw asbestos in Germany, taking approximately 60-70 per cent of all imports of raw material. For this purpose some grade 4 but mostly grades 5 and 6 are used. Germany has three very large asbestos cement producers and numerous small ones, some of which, by various means, are clustered under the umbrella of the larger ones. These factories are found all over Germany because of the high freight costs which make transportation over great distances prohibitively expensive in proportion to the value of the product.

• *Floor Tiles*—Floor tiles take between 15-20 per cent of the raw asbestos imports. Very short fibres —grade 7R—are used almost exclusively for this purpose. There are six large firms in the industry (of which three are new) and a few small ones. As with asbestos cement, these firms are geographically well distributed across West Germany.

TABLE II

WEST GERMAN TRADE IN ARTICLES OF ASBESTOS

(Excluding Friction Material)

	1957		1958		1959		1960	
	tons	DM 1,000	tons	DM 1,000	tons	DM 1,000	tons	D 1,0
Import								
Total	1,521.7	3,644	2,122.0	5,132	2,195.9	5,547	4,344.4	10,(
From:								
United Kingdom	1,009.1	2,586	989.8	2,772	1,058.7	3,033	1,586.1	5,(
France	54.4	344	50.1	300	161.0	829	1,209.3	2,4
Netherlands	308.4	241	345.2	288	760.8	654	882.1	(
United States	2.8	47	535.9	1,118	78.4	271	431.2	[illegible]
Belgium	135.5	337	144.4	511	84.1	639	126.9	1,2
Export								
Spread over	40 countries		40 countries		45 countries		24 countrie	
Total	2,146.1	9,641	1,865.3	8,672	2,309.3	9,921	2,480.6	11,(
To:								
Italy	311.5	1,532	370.4	1,564	297.5	1,319	321.1	1,5
Switzerland	203.9	884	166.5	742	259.5	933	266.6	1,1
Denmark	156.7	667	212.6	913	223.2	902	242.4	1,0
Netherlands	163.5	952	143.2	824	168.9	1,047	233.1	1,3
Argentine	148.8	392	94.0	248	192.4	505	173.5	4
Brazil	171.8	592	74.8	197	77.8	375	147.6	4
Sweden	170.5	643	111.2	639	125.2	707	124.9	8
Turkey	30.1	123	9.2	71	225.3	541	121.7	2

• *Asbestos Textiles and Packing*- These fabricated asbestos produc consume approximately 5 per ce of asbestos imports and are pr duced by some ten firms, w

spread over the country. This industry uses grade 3 or better, fairly long spinning fibres. Canadian asbestos is found to be excellent for this use although, as mentioned above, it is usually mixed with fibres from other suppliers. A good part of the woven asbestos textiles is made from the blue South African raw asbestos.

Jointings—There are a large number of medium-sized firms in this field as well as a few large ones; the latter make jointings almost exclusively. Consumption of raw asbestos in this industry is very small.

Millboards—This industry uses grades 4 and 5. There are five medium-sized factories which are well spread out geographically because freight costs are again an important factor. This industry is still small in Germany, although it is growing slowly.

Asbestos Paper—There are three important factories in the vicinity of the Ruhr Valley. This is a very specialized and small industry.

Electrical Insulation—This is a small industry but fairly important to Canadian suppliers. About 10 per cent of the spun asbestos products go into electrical insulation and require asbestos with a nil or very low ferrous content, similar to some types of British Columbia asbestos. Other sources of supply are Arizona and Australia. There is only one significant producer of electrical asbestos insulation.

There are literally dozens of factories, large and small, turning out a wide assortment of asbestos products. Ownership and control is widely spread out and although the above classifications apply in general, there is a great deal of overlapping of production among the various factories. In general it can be said that the asbestos industry in Germany is not as highly concentrated, either geographically or financially, as in other European countries.

It is the opinion of experts here that the German asbestos industry is on a sound footing and that it has a good future ahead of it. The use of asbestos is increasing with advances in technology and new uses are being found. The use of short fibres is expanding and much of the material that was once thrown away has now become a scarce item.

The only branch in which development is not taking place at the moment is the asbestos textile industry. This industry is currently working to capacity and no addition is expected to be made to increase production in the near future, unless there is a marked rise in the demand for asbestos textiles, which has been fairly stable over the last few years. If anything, these textiles may lose out to such substitutes as fiberglass, which is considered an excellent and cheaper insulating material.

New Uses Discovered

One of the factors in the optimism felt by the asbestos processing industry is the continuous development of new uses. Attempts are being made to use asbestos as a reinforcing agent in plastics instead of fiberglass and other similar materials. The problems are technical and have not yet been solved. There is no affinity between asbestos and plastics and research is going on to develop a stronger bond between the two materials. If this could be done, the industry feels the result would be a lucrative market. Another development which has already been worked on in North America is the use of asbestos in asphalt road pavement. This has, however, proved very expensive. Several types of acoustic tile have been developed by the Finns and are now being introduced into the German market. There is a possibility that, with time, a German fire-protection regulation in the building and construction industry could force the use of fireproof material for acoustic tiles. These regulations are already quite rigid but may be tightened even more. It would mean a lucrative market with excellent potential for Canadian asbestos. However, fiberglass is a strong competitor in this field.

Competition Intensified

The main competitors of the German asbestos processing industry are the United Kingdom and Finland. German wage rates have until now been considerably below British rates but have recently risen and now they are fairly close to the British. The British processing industry, moreover, is fairly concentrated and benefits from certain economies of scale. The tariff for asbestos products, both inside and outside the Common Market, has ranged between 10 and 16 per cent. The final Common Market tariff may rise to as much as 20 per cent on certain items. This has lessened British competition to some extent; however, there is a fear in the German asbestos processing industry that, should union take place between the Common Market and the British-led European Free Trade Area, the German asbestos-processing industry would be pretty well wiped out. This could be of great significance to Canadian suppliers of raw asbestos because Germany takes 12-14 per cent of Canadian asbestos exports.

Barring union between EFTA and the EEC, however, the German asbestos-processing industry feels it is well prepared to meet any competition within European countries which it may face through the development of the Common Market. Investment in the industry by foreign enterprises is proceeding at a substantial rate; control is, however, overwhelmingly in German hands. Many German importers and agents believe that Canada will continue to have the lion's share of the German asbestos market. •

Readers who would like to have statistics on production of processed asbestos (excluding cement) in West Germany in 1956 and 1958, and a table of German tariffs for raw asbestos and some asbestos products as of January 1, 1961, should write to the Editor, Foreign Trade.

Seed Potatoes Go to Greece

First introduced in 1954, Canadian certified seed potatoes have proved popular with the Greek farmer; recently our exporters sold 4,400 tons there and demand is expected to continue.

BARRY C. STEERS, *Assistant Commercial Secretary, Athens.*

EARLY this year bargemen and stevedores at Eleusis, a small port near Athens, started offloading the first of this year's two shipments of Canadian certified seed potatoes. They totalled 4,400 metric tons and were made up of Sebagoes and Katahdins from Prince Edward Island and New Brunswick. Shortly afterwards, the Canadian exporter, his Greek agent, the Assistant Canadian Trade Commissioner and the Commercial Assistant arrived from Athens to witness the inspection of the cargo. Assembled on the single small jetty of the port, the plant pathologists of the Greek Ministry of Agriculture and the inspectors of KYDEP, the quasi-government purchasing organization which is the exclusive importer of seed potatoes in Greece, greeted the Canadian group and the inspection began. Everyone was pleased with the quality. Within two hours, a clean bill of health given by the Greek Government officials meant that the trucks standing nearby could start loading. Soon the first of this year's Sebagoes and Katahdins from Canada headed south towards the Peloponnesus.

The trucks from Eleusis deliver their loads to the various agricultural co-operatives, which in turn distribute directly to the individual growers.

Keenest demand for Canadian seed potatoes is in Arcadia, a region of the Central Peloponnesus north of Sparta, the ancient city of soldiers. Their popularity, however, continues to increase throughout most of the growing regions. The areas about Salonica, the principal city of the north, and Corinth, to the citizens of which St. Paul wrote two of his Epistles, were added this year.

Planting begins in March and carries on through April for the summer harvest, though in some [...] the low-lying areas of the south [...] may begin as early as February f[...] a late spring harvest. Farmers ge[...]erally plant very small tubers whol[...] Larger ones are cut into quarters [...] eighths, each with at least two eye[...] The preferred size for seed is [...] to six ounces per potato.

On hand to watch the arrival of the first 1961 shipment of Canadian seed potatoes at Eleusis were (left to right): C. Godbout, potato grower from New Brunswick; B. C. Steers, author of this article; J. K. Leggett, Atlantic Provinces zone manager for Canada Packers, and G. A. Calpacas, the agent for Canada Packers in Greece.

Further Purchases Likely

Next fall the Greeks will ord[...] again from Canada. Probably [...] September 1961 KYDEP will ca[...] for sealed bids from Canadian su[...]pliers to be opened in their offic[...] in October. KYDEP, under th[...] jurisdiction of the Federation [...] Farmers' Co-operatives and th[...] Ministry of Agriculture, handles a[...] imports of seed potatoes. For th[...] past two years the written bi[...] have been opened and read alou[...] by KYDEP officials in the presenc[...] of the agents of the Canadian ex[...]porters. The market is an extremel[...] competitive one and it is importa[...] that Canadian exporters in certai[...] cases allow their agents some flex[...]ibility in pricing.

Canadian Seed Introduced

The spring of 1954 marked th[...] introduction of Canadian seed po[...]tatoes to the Greek farmers. Th[...] year KYDEP purchased 423 metr[...] tons. Following the successful sum[...]mer harvest, the Greek Federatio[...] of Farmers' Co-operatives induce[...] KYDEP to increase its Canadia[...] order by more than 300 per cen[...] to 1,170 metric tons of Sebagoe[...] and 400 metric tons of Katahdin[...] Once again the results pleased th[...] farmers. In the fall of 1955, whe[...] KYDEP called for bids based on [...] doubled demand for Canadian seed[...] farmers asked for the two tried an[...] tested types—Sebagoes 2,525 an[...] Katahdins 1,140 metric tons.

During these years of expansio[...] for Canadian seed, the total deman[...]

As the bags of Canadian seed potatoes came off the ship at Eleusis, they were stacked up until the trucks arrived to carry them away to potato-growing areas.

or imported seed potatoes in Greece remained relatively constant. For 1954 no breakdown distinguishing between imports of table and seed potatoes is available. The total stood at 9,732 metric tons. For 1955 and 1956, seed potato imports were reported as 8,334 and 8,356 metric tons. The most popular tuber competing with the Sebago and the Katahdin was the Irish Arran Banner, a potato the farmer had been planting since his father's time. Its French cousin by the same name also provided sharp competition. Smaller quantities of Ireland's Up to Date entered. Danish, Dutch and German seed also found receptive growers. The Ministry of Agriculture discovered from tests that the Sebago planted under Greek conditions and with Greek methods produced an excellent crop of high yield.

EXPORTS OF CANADIAN SEED POTATOES

	1954	1955	1956	1957	1958	1959	1960
				(in short tons)			
Greece	474	1,791	4,097	2,657	4,235	11,883	2,095
United States	51,433	43,573	81,397	52,648	71,772	41,717	24,306
Cuba	5,618	6,175	3,263	3,000	3,782	4,243	13,656
Venezuela	8,471	12,427	16,652	11,300	11,681	13,170	8,814
Uruguay	9,755	9,618	9,146	7,795	10,267	12,140	6,382
Jamaica	695	478	789	773	3,110	1,102	1,215
Total including all others	**77,226**	**77,056**	**117,585**	**82,583**	**110,019**	**85,893**	**57,617**

Source: D.B.S.

GREEK IMPORTS OF SEED POTATOES

	1954	1955	1956	1957	1958	1959	1960
				(in metric tons)			
Canada	423	1,569	3,665	2,287	4,048	8,419	3,468
Ireland	1,512	554	2,327	4,065	1,827	3,069	3,538
France	....	....	1,444	1,268	3,261	....	1,236
Denmark	....	50	535	616	493	349	....
Total including all others	**9,372**	**8,334**	**8,356**	**10,548**	**11,479**	**14,287**	**9,396**

Note: 1954 statistics include table potatoes.
Source: National Statistical Service of Greece.

Sales Fluctuate

For the spring planting of 1957, the price of Canadian seed had risen well above (in some cases 30 per cent above) potatoes from Ireland, Spain, France and the Low Countries. Since price is one of the dominant factors in purchases here as elsewhere, KYDEP bought only the quantities specifically demanded by the farmers' co-operatives—1,167 metric tons of Sebagoes and 1,120 of Katahdins. Significantly, even in that year only Arran Banner outsold the Sebago or the Katahdin.

The following year, 1958, Canadian Kennebec seed potatoes arrived for the first time, making up 900 tons of the 4,048-ton order from Canada. It proved to be a poor year for the Irish and French Arran Banner. In September 1958 KYDEP ordered 4,570 metric tons of Canadian seed. Kennebecs held top place on the list with 1,650 tons; Sebagoes and Katahdins split the remainder. A few weeks later the Greek authorities, unable to obtain adequate quantities of Arran Banner, promptly placed three additional orders for Canadian seed, making a grand total of 8,419 metric tons for the year. In all, Greek purchases of seed potatoes from abroad reached 14,287 metric tons, a record high.

Good growing conditions and increased imports of seed produced a bumper crop of 498,000 metric tons of potatoes. Farmers found themselves with an over-supply. The quantities of table potatoes exported to the United Kingdom, to Germany, and to Austria increased by 50 per cent to 16,275 tons.

In the fall of 1959 KYDEP reduced its order. Purchases from Canada totalled only 3,468 metric tons, of which Sebagoes comprised 2,800 and Katahdins the remainder.

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Arran Banner, once again plentiful in Ireland and France, resumed its number one position among imported seed. Sebagoes held second place.

Consumption of table potatoes in Greece hovers slightly above 400,000 metric tons a year, not particularly large for a population of 8½ million. Production figures for the last six years have fluctuated; they indicate a two-year cycle and suggest a trend towards gently increasing consumption.

The Outlook

This year the rivalry between Sebago and the cheaper Arran Banner has continued. The scales seem to be tipping slowly in Sebago's favour, as it edges from 2,400 metric tons below the European Arran Banner last year to 1,000 metric tons less now. C dian exports have moved up another 900 metric tons to 4,4(

The future for Canadian porters looks promising. Den from Greek farmers, based or years of good returns from C dian seed potatoes, is buildir solid reputation for us throug the country. ●

BUSINESSMAN'S BOOKSHEL

The Middle East 1961

Europa Publications Ltd. 516 pages. $13.50.

ANY businessman interested in the Middle East as a potential market for his product will find this book an ideal introduction to a proper understanding of any country or countries in this region. The geography, history, religion, system of government, law and economic development of each is covered in an easy-to-read manner and the information given is accurate, comprehensive and up-to-date.

Included in the great amount of factual data are the names of members of the Government and diplomatic corps of each country, leaders of political parties and religious bodies, lists of newspapers, periodicals, press agencies, banks, libraries, and universities. Most important for the exporter, it lists trade and industrial organizations with addresses, names of principal officials, and other pertinent facts.

The systematic arrangement of all this information makes the book an excellent and speedy reference. The end-papers offer a good map of the area—a useful innovation in the eighth edition of this directory.

Order from: Europa Publications Ltd., 18 Bedford Square, London, W.C.1, England.

The British Commonwealth and Empire Trades Index

987 pages. $6.50.

THE 1960/61 edition of this annual directory provides geographical, political, and trading information on all Commonwealth countries. In addition, similar information is included on the United States and m important trading nations.

Designed to assist buyers, sellers, manufactur producers and distributors, it provides adverti space ranging from full page (8½" x 6") to sir column, listing name, postal and cable addresses. Fi are listed by country, area, and brand and/or tra mark. It is an inexpensive means for the Canad exporter to obtain virtual worldwide promotion co age for his product. In addition, it provides conc current information on foreign market devel ment, shipping and insurance services available, dresses of foreign legal firms, and names of poten customers.

For the importer, particulars of over 25,000 fir provide a ready list of possible suppliers.

Order from: R. V. Gillman, 421 Drummond Bu ing, 1117 St. Catherine St. W., Montreal, P.Q.

Business Operations in France

Published by the Franc-Dollar Committee. 67 pag $2.50.

THIS booklet was prepared as a guide for Unit States investors in France. However, the Canadi businessman now engaged in or seriously consideri business dealings of any kind in France will also fi it helpful.

The authors have taken into account changes economic trends and recent developments in Fren legislation and regulations, particularly those applyi to the current tax reform. These changes, designed increase foreign trade and encourage foreign inve

rint in France, are numerous. Canadians interested in the area can rely on this up-to-date booklet to interpret these changes.

In most cases "Canadian" can be readily substituted for "American" throughout the text, with the exception, of course, of any direct reference to United States laws, treaties or taxes.

The booklet sets out how to establish a business in France and how to invest there. It also explains the labour situation, the wage structure, the tax system, the availability of bank credit, and the system of communications. Of particular interest are the sections dealing with the easing of import restrictions and the structure of the Franc Zone. The booklet is interspersed with excellent maps showing the location of various industries and the distribution of the labour force.

Order from: Comité Franc-Dollar, 1001 Connecticut Avenue N.W., (Room 1041), Washington 6, D.C.

Understanding Export

By Alfred L. Lomax and J. Boyd Matchett. 16 pages. 50 cents.

WHAT is meant by "a firm offer", "f.o.b.", "f.a.s.", and "c.i.f."? How is the structure of an export sales department determined, and what are the rules for pricing for export? A dictionary and a basic commerce text will provide you with the answers to all these questions, but for those actively engaged in exporting it is vital to understand the small differences in interpretation of the terms in different areas, as well as the more practical aspects of the trade as a whole. These articles, originally written for *Industrial Canada* and now reprinted in a booklet by the Canadian Manufacturers' Association, provide a clear yet thorough handling of the subject and are well worth attention. Mr. Lomax is Professor Emeritus of Business Administration at the University of Oregon. Mr. Matchett is a marketing and organization consultant with Urwick, Currie Limited, Toronto.

Order from: Canadian Manufacturers' Association, 67 Yonge Street, Toronto 1, Ontario.

Co-operation for Progress in Latin America

Committee for Economic Development (U.S.). 56 pages. $1.00.

THE Research and Policy Committee (consisting of 50 of the 200 top businessmen and educators comprising the Committee for Economic Development) has made a thorough study of United States economic policy in Latin America. President Kennedy's recently announced program for Latin America has closely paralleled the views and recommendations contained in this study. The committee (which is financed by the Ford and Rockefeller Foundations) thoroughly reviews the present economic situation in the area and defines in clear terms the responsibility of American industry and commerce to contribute to the economic development of these countries.

A Canadian businessman who is interested in investing in or trading with any of these countries will find here an excellent up-to-date economic survey of the area. Full-page maps show the extent of agricultural development, of illiteracy, and of the export dependence on single commodities in each country.

Clearly defined tables deal with such diversified aspects as population increase, life expectancy, educational attainments, value of exports, area distribution of trade, the extent of U.S. investment, cost-of-living indices, growth rates, and balance of trade. The Act of Bogotá is reproduced in full and the need for social as well as economic development is explained and emphasized.

For a clear approach to the problems besetting Latin America and for an understanding of the attitudes and contributions of U.S. business as a whole, this report is a valuable addition to the businessman's bookshelf.

Order from: The Committee for Economic Development, 711 Fifth Avenue, New York 22, N.Y.

Australia—An Economic and Investment Reference

Australian News and Information Bureau. 97 pages. Free.

HERE is an informative and attractively bound book which answers briefly but completely most of the questions that a Canadian businessman interested in investing in or carrying on business in Australia will want to ask.

Its immediate value to a Canadian exporter is perhaps limited to the chapters dealing with a review of the Australian economy, trade trends and policies by the Secretary of the Department of Trade, and the clear explanation of the tariff structure.

Chapters on law, banking, the formation of companies, securities, taxation, the labour force and the main industries give the reader a fairly complete picture of Australian business life.

The book is enhanced by full-page photographs and easily grasped graphs and tables. Altogether it is a good general reference on Australian business and economics.

Order from: The Australian Commercial Counsellor, 100 Sparks Street, Ottawa, Ontario.

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(Left) Allan Baker, Vendomatic's executive vice-president, takes time off for a cup of hot coffee supplied by his compan "Tropic" hot-drink vending machine. (Right) The pretty Vendomatic employee holds flake ice produced by a machine that company has perfected and is just beginning to sell in foreign markets, particularly the United States, and also in Trinid

Good Design Wins New Markets

Are Canadian manufactured goods too high-priced to compete in foreign countries? A young Toronto executive is working out a successful method of keeping prices down and sales up.

ALLAN D. BAKER, *Executive Vice-President, Vendomatic Limited. As told to O. Mary Hill.*

ALLAN D. Baker, executive vice-president of Vendomatic Limited, holds vigorous views on how Canadian firms turning out manufactured goods can make headway in foreign markets. When he voices these views, he draws upon his own experience: Vendomatic began to look for foreign customers for its hot and cold drink vending machines about eighteen months ago and already it has lined up orders in the United States and in the West Indies. Now Baker is planning a sales campaign in Western Europe.

If a Canadian company wants to market its manufactures abroad, says the Vendomatic executive, it must stress design. A good design isn't merely one with eye appeal. It's one that keeps down production costs and makes it possible to sell a product at a competitive price in many countries.

Research Pays

Working out a good design means hiring engineers and technicians with ideas and providing a proper budget for research. Sometimes Baker feels impelled to mount a soapbox and harangue Canadian manufacturers on the need for paying more attention to research and encouraging ingenuity and enterprise. He practises what he preaches. His company began its research and development program 2½ years ago with a staff of one; today it employs five engineers a technicians.

A few months ago Vendoma bought from a United States i ventor the basic plans for a flake-i machine. Its engineers have refin these plans and have developed t machine for commercial use. On 14 inches high, 32 inches wide, a 22 inches deep, it turns out flak ice instead of the convention cubes. Experiments in the Vend matic laboratories have proved th the flakes provide more cooling p pound of ice than cubes do—a the machine has other advantag Linked up to a cold-drink vend it can put a shot of ice direc into the individual drink. Resu faster cooling and less displac ment. But the big possibiliti Baker believes, are in the industr field; for example, bakeries co use the machine to provide a qui supply of chilled water for maki bread. Vendomatic has already s and is about to deliver its first 1 units; one of them is going to

ealer in Trinidad and others to the nited States.

lunge into U.S. Market

Vendomatic made its first move tward selling in foreign markets its ropic (hot drink) and Arctic old drink) machines, both Canaan designed, early last year. In arch 1960 it exhibited the two achines at the convention in liami of the National Automatic erchandisers Association. They tracted the attention not only of otential customers but also of his S. competitors.

As a result, he sold a few of the mplete machines but after he had aid the customs duty and the eight on shipments to the United ates, his profits were cut to the ne. Acting on the principle "if u can't beat 'em, join 'em", and m in the belief that the Vendoatic machine has a superior sign, he has offered to supy United States vending-machine anufacturers with components on hich his company holds the tents, some 14 in all. (One of ese is the spin-mix centrifugal wl that, among other advantages, minates flavour transfer.) At the oment, Baker is negotiating with o United States companies for the le of these components. These anufacturers would adapt their sic designs to include Canadianade components because the result would be a simpler machine, eaper to produce.

The matter of customs duty on e components still awaits a final ling from the U.S. tariff authoris but the company does not expct it to prove a serious obstacle sales. And selling components, aker believes, is far superior to tering into a licensing agreement; e Canadian plant is kept busy rning them out and the profits ade help to pay research costs.

eeping Competitive

When he discusses pricing for exrt, Baker returns to his favourite pic—good design. Research not ly turns up new products or designs that the manufacturer can offer to customers but also helps to lower costs. The company which finds that it cannot sell its products at a profit abroad should analyze the various factors in the export price—customs duty, transportation costs, agent's commission, and so on, as well as the direct manufacturing cost. Then it can decide at what price the product must sell to make it competitive abroad. After that, it can go back to the engineers and tell them how much lower manufacturing costs must be to make the export price possible. Let them go to work on simplifying the design and lowering the cost. There is plenty of technical skill and ingenuity in Canada on which the producer can rely.

Promotion in Caribbean

The simple design of his two drink-vending machines has helped Vendomatic to sell them in the Caribbean, an area with which Baker is familiar from business and holiday trips. A short time ago he canvassed the Jamaican market, concentrating on companies already selling electrical appliances who could handle the servicing problem. In this market transportation costs, not tariffs, are the main obstacle. But largely because the Vendomatic machines are easier to manufacture, he can pay the high shipping costs from Canada and still undersell his United States rivals by about $150.00. He has already sold some machines to Trinidad and to Jamaica.

Sales Secrets

Ask him what he considers the essentials for successful selling of manufactured goods in foreign countries and the Vendomatic executive will make four main points:

1. Don't copy other people's designs; Canada has plenty of designing talent that only needs a chance to show what it can do. Design your own product, then make sure that it can be turned out at a cost that will make you competitive. Use Canadian ingenuity to the full.

2. If you can't sell complete machines, try to sell components for them. This way, you remain in control of the operation and your plant benefits from export orders.

3. Remember that salesmanship matters just as much in selling to foreign countries as it does in selling to Canadians. "You never know what you can sell until you try," says Baker, and adds, "Some of the best salesmen I know are Canadians."

4. Never prejudge a sale, and don't decide that you can't sell in a foreign country until you have visited it and tested the sales prospects for yourself.

Vendomatic's intensified sales campaign in the next few years will put these precepts to the test.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often Canadian businessmen fail to take advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.

Advertising Abroad

In the Philippines, radio advertising—mainly in Tagalog, but also in English and several local dialects—best reaches the 25 per cent of the population that consumes 75 per cent of all products. TV advertising is becoming important.

R. M. DAWSON, *Vice Consul and Assistant Trade Commissioner, Manila.*

"IN the Philippines the basic principles of good advertising and good copy apply as they do in Canada and the United States." This comment by the advertising manager of a large U.S. company operating in the Philippines sums up advertising in this South East Asian country. Although local conditions may compel modifications, the approach and the techniques remain the same.

Greater Manila, with a population approaching two million, is the most highly developed consumer market in the Philippines. Other important urban markets in order of importance are Cebu (260,000), Davao (232,000), Iloilo (150,000), and Bacolod (119,169), all located on separate islands in the southern part of the Republic.

Reaching the Villagers

Although a wider variety of media is used in the cities and a greater concentration of advertising is found there, the rural areas, with 75 per cent of the population, ca not be ignored. It is estimated th 50 per cent of the Philippine pop lation of 27½ million cannot reached through normal forms advertising. To overcome this dif culty, aggressive sales promoti using advertising methods uncor mon in Canada is reaching out in the countless small villages (or ba rios, as they are called in t Philippines).

Sound trucks equipped wi generators and movie projecto travel through the small tow showing full-length movies an selected short subjects. Intersperse throughout the film showings a advertisements—every 12-15 mi utes for the full-length films an at the beginning and conclusion shorts. Occasionally samples a given away. However, this form advertising can be used efficient only by companies offering con modities with a quick turnover- such as food products, beverag and clothing. Companies sellir these lines do 75 per cent of a advertising in the Philippines.

Radio Leading Medium

Radio is the most widely use advertising medium in the Phili pines, covering approximately 2 per cent of the total market—b

This jeep can double as a film projector in its trips through the Philippi countryside. The camera inside the vehicle projects an image onto a large mirror mounted over the hood. The mirror then projects that image back onto the screen at the rear. The entire unit, including two loudspeakers at t sides, operates by air pressure. Film showings are interspersed with commercial advertising messages.

the 25 per cent consumes 75 per cent of all products. Rates are not fixed but are cheaper than in Canada.

At one time, most advertising appeared on English radio programs. Improved communication in local dialects has opened up new vistas for advertising by radio. Sponsored daytime "soap operas" and evening amateur programs have proved popular. These are often taped for later use on rural radio stations. It is startling to learn that out of 21 commercial radio stations operating in Manila, a popular evening amateur hour can obtain a 60 rating. (In Canada, where there is competition from TV, a 40 rating is considered good.)

Tagalog, the dialect of Manila and the new national language, takes the major share of radio advertising budgets. (Almost 90 per cent of Manila radio programs are in Tagalog.) Many other dialects are spoken throughout the Islands but radio advertising budgets are usually restricted to about five or six of these. Advertising programs in various dialects present no problem because they can be handled capably by any of the Manila ad agencies.

Television advertising is becoming important but with only 30,000 sets in operation, coverage is limited. The medium should not be ignored, however, because televiewers control a large share of the purchasing power. The good quality of TV advertising often comes as a surprise to the newcomer here. Attractive visual presentations coupled with tuneful singing commercials project a strong sales appeal. The volume of TV advertising is increasing but TV should not be given the prominence it would in a Canadian sales program.

Periodical Advertising

Magazines and newspapers take an important share of most advertising budgets—and are usually the second or third most widely used medium. Six English-language daily newspapers have the widest distribution, with approximately 70 per cent of their readership in greater Manila and the remainder in smaller cities and rural areas. Although the advertiser should also consider Tagalog, Spanish, and Chinese language dailies he should place the main emphasis on the English newspapers and magazines.

Other Forms

Outside of Manila, billboard and neon advertising are little used. In the capital, billboards are displayed on the main thoroughfares but space is at a premium. Local manufacturers and service industries use most of the advertising of this type. Except for point-of-sale advertising, neon lighting is seldom employed because of the high cost of electricity.

Some Characteristics

Pastel shades so popular in Canada today are not often used in Philippine advertising; the Filipinos prefer bright (but not gaudy) colours. They are artistic and have a fine colour sense. In the more underdeveloped parts of the country, lively contrasting colours are used but in Manila tastes are more sophisticated. Strongly perfumed products are also in demand.

Almost 95 per cent of all advertising is in the consumer field. Because of foreign exchange control, importers have limited dollar allocations. This situation increases brand consciousness, because importers are unwilling to bring in new products unless economy is an overriding factor. With the eventual relaxation of foreign exchange control, free competition should see more intensified advertising programs.

The orientation of the Philippine market towards the U.S. is a vital factor and the selling power of symbols cannot be overrated. A striking example of this was the introduction of modern synthetic detergents. The United States' transition from bars of soap to soap flakes to soap powder to synthetic detergents took about twenty years. Yet detergents designed for washing machines were immediately accepted in a country where less than one per cent of the population have washing machines.

Agencies Can Help

There are over twenty advertising agencies in Manila, several of them associated with United States firms. Virtually all large local manufacturers and sales distributors use their services and it is essential for any Canadian exporter to follow this practice. Market research can be carried out but complete statistics are difficult to obtain. Only one company offers the full range of marketing research facilities, though many of the larger advertising agencies offer some service in this field.

Canadian sales to the Philippines consist mainly of industrial materials, where advertising is not important. But any new exporter of finished products must give attention to sales promotion through advertising if he expects success in this brand-conscious market. Filipinos are being educated to the value of advertising and, with local agencies offering all the necessary services, it is not difficult to launch a campaign here.

Tours of Commodity Officers

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

Larger exports of wool have set Uruguay on road to economic recovery; stabilization program seems to be succeeding. Canadian sales to this market rose last year and trend is still up.

Uruguay's Problems Lessen

BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

FOR Uruguay, 1960 was a year of definite progress in its efforts to remove restrictive trade controls and to balance the budget.

In December 1959 the Exchange Reform Law set the peso at a lower level in relation to the dollar, eliminated the multiple exchange rates, and began the gradual process of freeing imports. By the end of September 1960 this process had been completed and the stabilization program introduced, supported by a standby credit from the International Monetary Fund. Further help was forthcoming in the form of overdraft facilities from United States private banks and a loan of U.S.$7 million from the World Bank to finance the Livestock Development Plan.

The stabilization program, based on the financing of imports from foreign exchange earnings and the general buttressing of the economy from export taxes (or retentions) on shipments abroad of wool, meat, etc., did not work according to plan in its early stages. The principal reason was the fact that the wool shippers withheld their wool against the prospect of higher prices and lower export taxes; the latter were set for early in 1961. Trade during 1960, therefore, improved only slightly over 1959. Exports totalled U.S.$129.4 million and imports, freed from quantitative controls, increased to U.S.$244.4 million. This left an unfavourable balance of U.S.$115 million compared with a deficit of U.S.$116 million in 1959. The budget showed a surplus for the second year in succession.

With the decided increase in exports of wool (the result of lower taxes) and meat, Uruguay's economic situation picked up during the first quarter of 1961 and the prospect is that the trade deficit will be much smaller this year. From October 1, 1960, to February 28, 1961, wool shipments amount to 86,876 bales compared wi 45,240 in the corresponding peri of the previous season. As of Mar 31, there was a favourable trac balance of approximately U.S.$ million.

Though the actual trade statisti for the calendar year 1960 show deficit of U.S.$115 million, th shrinks when other operations a taken into account:

1. The import figure for 1960 i cludes goods to the value of U. $21.3 million received under U. PL480, which are paid for Uruguayan currency. It also i cludes U.S.$15.8 million coverir goods imported by state enterpris before 1960 and not shown in pr vious statistics.

2. Tourist trade receipts estimate at U.S.$30 million.

The unfavourable balance for 196 therefore, is put at U.S.$77.8 mi lion.

Direction of Trade

The United Kingdom replace the United States as Uruguay's be customer, taking over 23 per cer of all exports compared with onl 9 per cent in 1959; the Unite States came next with 15 per cen and the Netherlands third with 13. per cent. Then came West Ge many 9.3 per cent, France 6. Italy 4.7, and Belgium 3.2. Th Iron Curtain countries reduce their purchases from 27.9 per cer in 1959 to 10.2 in 1960—mainl because of a decidedly lessened in terest in wool. The bulk of th exports were, as usual, made up o wool, meat and hides.

Unofficial statistics just publishe for January, February and Marc 1961 show a great improvemen over the same period last year Total exports were valued at U.S $65.6 million, compared with U.S $40.5 million in 1960.

Uruguayan imports consist of wide variety of goods but raw ma terials and lubricants are outstand ing, accounting in 1960 for 38.

al 23.9 per cent respectively of th value of all imports. The remainder are much smaller in value, sth as motor cars 9.3 per cent, mchinery 7.1, seeds 4.3, foodstuffs 2., vegetables 1.9, drugs and parmaceuticals 1.7, electrical euipment 1.3, and so on down. Uguay produces locally approximtely 80 per cent of all the consmer goods it needs.

The following are the major suppers to this market:

EXPORTS TO URUGUAY

From:	(U.S.$'000,000)
United States	64.8
Venezuela (oil)	28.5
West Germany	17.6
United Kingdom	17.5
Brazil (coffee, timber)	15.3
Argentina	9.8
France	7.3
Belgium	7.0
Italy	5.2

Canada increased her exports to Uguay from $1,655,765 in 1959 to $2,423,100 in 1960, mainly as a result of resumed shipments of aminum ingot and asbestos fibres, and bigger sales of papermakers' fts, wood pulp, agricultural machinery and implements, and synthetic rubber. Sales in the first quarter of 1961 have maintained the improvement and were over twice the value of those in the corresponding period of 1960—$673,-00 compared with $297,000.

Imports from Iron Curtain countes, never very large, were about te same as in 1959, some 7.2 per cnt of all imports by value.

Agricultural Production

Following the measures taken to fee imports and foreign exchange dalings from controls, the authorits have been concentrating their attention on ways and means of icreasing production of meat and wool; the falling-off in these exports is the main cause of Uruguay's economic ills. A loan was secured in October 1960 to finance the Livestock Development Plan which is now in operation. It is facilitating the import and distribution of fertilizers and seed, encouraging the raising of early-maturing cattle, and assisting in the purchase of equipment for building water reservoirs. It also seeks to improve the Laboratory of Animal Biology and to encourage the rearing of lambs for export.

During the first quarter of 1961 the improvement in meat and wool exports begun in December 1960 continued, and given normal conditions, the authorities believe it will be maintained. If this proves correct, Uruguay will have taken a big step forward towards economic recovery.

In November 1960 the Government reverted to the free marketing of wheat, thus ending the subsidy system which had been in force for many years. Under this system, the Bank of the Republic was responsible for selling wheat at a price well below the one at which the wheat was bought. The removal of the subsidy has nearly doubled the price of bread.

West Germany has contracted to buy 9,000 tons of Uruguayan meat, destined for West Berlin. During 1960 Uruguay was unable to sell any meat to Germany because of failure to comply with certain sanitary regulations. Apparently West Germany realizes the importance of buying from Latin America as she has also placed a contract for meat in the Argentine. Unfortunately, just as cattle were being moved to Montevideo for slaughter in quantities sufficient to fill the order, the railway went on strike and is still out. Shipments will be seriously delayed and perhaps cancelled. This is a serious matter because Uruguay has great need of increased exports of meat.

Free Trade Area

Uruguay's participation in the movement toward free trade with her neighbours—the Latin American Free Trade Area—poses some difficult problems. For her size, she is highly industrialized—some say over-industrialized—and apart from certain produce such as fruits and vegetables, sandstone and marble, she has little if anything to export to markets like Brazil and Argentina that is not already produced or manufactured in those countries. Thus industry in the major countries at least, and in Uruguay in particular, will be faced with the need to make some painful sacrifices if the agreement is to work.

The ratio between Uruguay's imports and exports vis-à-vis the other member countries* is very disproportionate. While she placed orders in these countries (mainly for raw materials) to the value of U.S.$28,-792,705, they bought only U.S. $272,389 worth of Uruguayan products in 1960.

Trading Connections

A number of trade delegations have visited Uruguay recently and have made certain trading arrangements. Czechoslovakia, for example, expects to buy U.S.$3 million worth of wool, hides and meat and has already purchased U.S.$1.5 million worth. A trade, payments and co-operation agreement with Italy has been signed. A South African Trade Mission included Uruguay in its Latin American tour and so did an Australian Mission last October. The Minister of State in the British Board of Trade spent some time in Montevideo last November, obtaining first-hand information on the prospects of expanding trade with this country.

The latest visitor to be welcomed here was the Spanish Minister of Commerce, Dr. Alberto Ullastres, who came to Montevideo for a two-day visit. The purpose was to study the objectives and implications of the Latin American Free Trade Association, and to extend trading connections. In a press interview, Dr. Ullastres stated that he believed Uruguay might become a bigger market for Spanish machinery and tools, tractors, electric motors, and vehicles, in exchange for meat and wool. ●

*Argentina, Brazil, Chile, Peru, Mexico and Paraguay.

The Italian Market for Fish

Despite policies designed to increase domestic production, Italy must import large quantities of fish to meet demands of a growing population. Canada must cater to Italian tastes, be competitive in price, if it is to retain or expand its share of the market.

M. S. STRONG, *Commercial Secretary, Rome.*

ITALY is depending more and more on imports to meet the demand for fisheries products. Since 1954, despite government assistance in modernizing the fishing fleet, total landings have declined slightly; the 1954 figure of 194,591 metric tons (including molluscs and crustaceans) had declined to 188,111 tons by 1960. Domestic production supplied 64.8 per cent of the fish consumed in 1954 but only 53.4 per cent last year.

Fisheries Policy

The principal objectives of official fisheries policy are:

- To expand Italy's participation in fisheries operations outside the Mediterranean.

- To promote the modernization of the fisheries fleet, particularly in southern Italy.

- To improve the marketing of fish and fish products and to increase the efficiency of the distributing trade.

To attain these objectives, legislation has provided for long-term loans, low interest rates and outright grants for the improvement and modernization of the industry.

In 1956 a law was passed setting up a revolving fund to be in operation until 1970. From a capital fund of two billion lire, loans are granted to improve all kinds of fishing installations—including vessels, engines, gear, shore facilities, processing plants, and distribution. In the area covered by the Southern Italy Development Fund, fishermen and co-operatives can obtain grants of up to 40 per cent of the cost of purchasing and equipping fishing vessels, making and repairing gear, and putting up plants for preserving fish.

The chief concern of the authorities is the raising of fishermen's incomes by greater use of the fish resources in the Mediterranean. Fishing takes place chiefly in coastal waters but the fishing grounds of the Tuscan Archipelago, the Sicilian Channel, and the central and northern regions of the Adriatic are the most productive. In 1959, the Italian fishing fleet consisted of 44,800 units, of which about 32,000 were sailboats and rowboats and 13,000 motor vessels and motorboats. The increase in the number of motor-powered craft, particularly small motorboats, has been rapid.

Making greater use of the Mediterranean fish resources may possibly mean a reduction in the number of fishing vessels and in the large number of fishermen (130,000 in 1959 compared with 123,000 in 1957). But the problem of surplus manpower is a difficult one because job possibilities in the coastal regions are practically nil. The authorities therefore are orienting their policy towards encouraging greater participation in fishing in distant waters outside the Mediterranean, mainly in the North Atlantic and off the coast of Mauritania, where a few big Italian vessels of over 1,000 tons already operate. The long distance to the Atlantic fishing grounds, howeve and the difficult climatic conditio raise many problems of productic costs and quality that must b solved if these operations are to b profitable. In addition, the larg capital investment in relation to th manpower used does not make th a complete answer to the proble of over-supply of labour in th fisheries.

Co-operatives Important

Co-operatives have long playe an important part in the Italia fishing industry and today there a 450 of them with a combined mem bership of more than 120,000. great incentive to the formation c co-operatives is the law granting t their members insurance benefi and family allowances. At lea 100,000 members enjoy these bene fits, plus medical assistance grante by law in 1958.

As a rule, the facilities of sma co-operatives with less than 5 members are limited to a head quarters, a net dipping yard, and central fish depot. Their main task are to help members and to tak care of administrative matters o their behalf. The medium-sized an large co-operatives also sell fuel nets and ice and take care of tran porting the fish to market, supplyin fish crates, net dyes, docks for th fishing vessels, and small worl shops for repairs. They also manag wholesale fish markets and regula fishing in the territorial waters a signed to them by the Governmen

ITALIAN IMPORTS OF FISH

	1954	1959	1960
		(in metric tons)	
Salted codfish and similar species	43,330	44,163	40,593
Fresh and frozen fish	22,988	47,011	66,073
Canned salmon	1,394	8,130	8,470
Total canned fish	25,497	27,749	28,017
Total, all fish	106,106	140,559	162,099

ITALIAN FISH IMPORTS FROM CANADA

	Salted cod and similar products	Canned salmon
	(in metric tons)	
1951	9,075	1,015
1952	5,505	9,570
1953	6,719	1,156
1954	4,276	1,361
1955	3,464	1,483
1956	3,222	1,064
1957	2,935	357*
1958	1,067	494
1959	‡	520
1960	2,956	353†

*Japan entered the market.

‡Two or three cargoes arrived late December. Probably shown in statistics for January 1960.

†U.S.S.R. entered the market.

Source: Italian Import Statistics.

I addition, they give their members technical, administrative and, in some cases, economic aid.

Distribution and Consumption

The number of fish handlers ashore decreased in the years 1957 to 1959 by 11.5 per cent, to 7,700. The number of people employed by the fish-processing industries rose by 13.5 per cent to 13,400. Italian consumers much prefer fresh fish, which accounts for 65 per cent by weight of the total consumption. This preference, plus inadequate distribution facilities for fresh fish, may well be the reason why annual consumption remains at six kilos per capita, or only half the average consumption in other OEEC countries. Frozen fish is sold mainly through some 150 chain stores operated by the Genepesca Company, which produces a good deal of frozen fish from its own trawlers. It also supplies some 70 general food shops with freezing cabinets. The emergence in the last few years of self-service grocery stores is also encouraging and increasing the sale of frozen fish.

Imports Still Substantial

Italy continues to be a substantial importer of fish and fisheries products. Traditionally she imports mainly salted cod, stockfish and cured herring. Although purchases abroad of these—and of salt cod in particular—are still significant, the market has weakened, especially for cured herring. Imports of fresh and frozen fish (half of which are processed further by the canning industry) and of canned fish have risen in the postwar years. The accompanying table gives the details.

The principal sources of imported fresh and frozen fish are Japan—which supplied 33,000 tons of tuna for canning in 1960—Norway, and Denmark; appreciable amounts are also imported from Sweden, the Netherlands and France. Salted cod comes mainly from Denmark, Germany, Iceland, Norway, France and Canada. The main supplier of stockfish is Norway. Supplies of smoked herring come chiefly from the United Kingdom and the Netherlands and of salted sardines from Spain. Canned fish is imported principally from Spain, Portugal and the Netherlands. Imports of all fish products have now been liberalized.

In past years, Canada has supplied Italy chiefly with salted cod and canned salmon, but sales of both of these have declined considerably. Canadian exporters have not been able to supply the grades of light-salted hard dried cod which have traditionally been bought from Canada and more canned tuna at comparatively lower prices has cut into the market for our canned salmon. Competition from Japan and the U.S.S.R. is another reason for our obtaining a smaller share of Italian purchases.

Effect of Common Market

The common external tariff on fish imports into the EEC countries has been set as follows:

Tariff Item No.		Import Duty Rate (per cent)
03.02	Fish, salted, in brine, dried or smoked:	
	A. Salted, in brine or dried	
	I whole, beheaded, sliced	
	(a) herrings and pilchards	12
	(b) cod, including stockfish and klipfish	13
	(c) sardines and others	15
	II fillets	
	(a) cod, including stockfish and klipfish	20
	(b) others	18
	B. Smoked	16
	C. Livers, eggs and the like, fish flour	15
16.04	Prepared or preserved fish, including caviar and caviar substitutes:	
	A. Caviar and caviar substitutes	30
	B. Salmon	20
	C. Herrings	23
	D. Sardines	25
	E. Others	25

Italy will receive a quota for salted cod which will be imported outside this tariff. At present it is not known what the quota will be or how it will be allocated to supplying countries.

Market Outlook

It is doubtful whether present schemes for improving the Italian fishing industry, which have been in force for several years, will result in any appreciable increase in production, because the Mediterranean fisheries resources are limited. Nor does it seem likely at present that either the authorities or the industry are prepared to make the heavy capital investment that the building

and equipping of a deep-sea fisheries fleet would demand. Consequently, Italy will continue to rely on imports to augment domestic production and these will increase with the needs of a growing population.

Canada can step up its sales in the Italian market but this will depend in no small part on its ability to produce increasing quantities of the types of salted cod that Italians prefer—such as light-salted hard dried cod, and the bled white-fac heavy-salted salt-bulk cure. The d mand for canned fish will grow b to participate, Canadian prices w have to be competitive with tho of other suppliers. ●

Brazil Produces Pulp and Paper

Bigger population and accompanying rise in consumption ha expanded our market for pulp and paper in Brazil; long-fibre pu and newsprint sales particularly are expected to increase, despi Brazil's growing production potential.

R. C. ANDERSON, *Vice Consul and Assistant Trade Commissioner, São Paulo.*

PULP and paper manufacturing in Brazil has been making rapid strides but even so, only about 50 per cent of the pulp and 75 per cent of the wrapping paper consumed annually in Brazil are nationally produced. There are 70 factories of varying sizes making pulp and paper, about half of them located in the state of São Paulo. Most Brazilian pulp producers also manufacture their own paper and recently established pulp mills have long-range plans for paper manufacture as well. Canadian consulting engineers have played an outstanding role in the development of this industry.

Pulp Production Increased

Several new projects have come into operation during the past year. They include Champion Celulose S.A., located at Mogi Guaçú, with a capacity of 150 tons of pulp a day; Celubagaço Industria e Comercio S.A., with a capacity of 60 tons of pulp a day made from sugarcane bagasse, and Cia. Suzana de Papel de Celulose, a subsidiary of Industria de Papel Leon Feffer, with a daily capacity of 100 tons of bleached eucalyptus pulp. The industry has increased its production of short-fibre pulp by 400 tons a day over the last year and a half. Lutcher S.A. Celulose e Papel is building a new pulp mill in the state of Paraná at the confluence of the Iguaçu and Jordão Rivers and within a year expects to be producing 140 tons of pulp a day.

Brazilian pine is the main raw material for pulp producers but the eucalyptus tree, which matures seven or eight years after planting, is now being used more extensively. About 150 tons a day of pulp and paper are made from sugarcane bagasse by the four plants which use this raw material. Champion uses eucalyptus exclusively.

Expansion programs enable Brazilian producers to turn o about 510,000 metric tons of pap in 1960.

Newsprint, Other Papers

Consumers of newsprint in Braz have enjoyed a preferential rate o exchange for their imports. Expa sion of Brazilian newsprint produc tion was therefore discourage until Brazil published a law th provides a subsidy enabling dome tic mills to compete with import Only one company, however, pro duces newsprint in Brazil—th Industrias Klabin do Parana d Celulose S.A. The accompanyin

BRAZILIAN PULP AND PAPER PRODUCTION AND IMPORTS

	1955	1956	1957	1958	1959	1960
	(thousands of metric tons)					
Wood pulp, chemical and semi-chemical*						
Production	90.0	104.0	122.0	157.0	200.0	234.0
Imports	123.6	119.2	136.6	103.8	107.4	90.0
Newsprint**						
Production	37.2	39.4	49.0	51.6	58.0	81.0†
Imports	130.4	136.5	173.5	140.8	144.9	134.0†
Other Papers						
Production	295.9	341.1	313.6	353.0	390.9	429.0
Imports	15.1	28.8	36.8	33.9	27.6	25.0

*Source: Brazilian Institute of Geography and Statistics.
**Source: Council of Economic Development.
†Estimated.

ble gives newsprint production atistics for the years 1955 to 1959 ad estimates of production and onsumption in 1960. Although roduction of newsprint has risen ry rapidly, consumption continues a high rate and substantial newsprint imports may still be needed: hese imports at present enjoy a eferential rate of exchange; ough recently doubled from 100 200 cruzeiros to the dollar, it is ill substantially below the free arket rate.

Production of types of paper her than newsprint has increased ad 1960 estimates place output at 29,000 metric tons compared with 95,915 tons in 1959. (See table.) roduction of higher-grade and aft papers has also risen. Corrugated paper production has increased tremendously, spurred on y the packaging requirements of e newly developed consumer oods manufacturing industry.

rospects for Canadians

The accompanying table shows emical and semi-chemical wood ulp production as well as imports r the years 1955 to 1960. Although imports have fallen off, ere will always be a market for ng-fibre pulp from Canada and e Scandinavian countries because razilian trees do not offer suitable w material. The country is close being self-sufficient in short-fibre ulp and will probably export some it when all the new plants come to full production.

Canadian pulp and paper producers have, during the past year, ore than trebled their exports to razil and market conditions suggest that Brazil will continue to be good outlet for Canadian long-bre pulp and for newsprint. The opulation expansion and the continued industrialization have increased the use of all types of paper nd suggest that Brazil will be a ajor importer, even after the umerous new pulp and paper lants come into production. ●

Ghana's Forest Industries

GHANA has about 9,300 square miles of forests that are considered suitable for exploitation—or an area approximately one-third the size of New Brunswick. Of the total, however, some 5,800 square miles are permanently reserved lands and exploitation is strictly controlled by the Government. The remaining forests are unreserved and bear the brunt of commercial use. In 1959 some 1,000 square miles of the unreserved forest lands were brought under the protection of the Protected Timber Lands Act to ensure their proper exploitation for timber before they are cleared to provide space for growing cocoa.

Of 120 species of trees that grow in Ghana, only seven are used commercially to any extent. These are: wawa or obeche, African mahogany (Khoya species), sapele, utile (Eutile), makore, Afrormosia, emri, and idigho. There are, however, at least 14 more species that could be marketed in substantial quantities but are at present exported in small volume only.

Some 53 recognized firms are engaged in logging and lumber operations in Ghana and at least 23 of them operate sawmills. Two companies are currently producing plywood and a third is in the course of building a plant. Plywood production last year totalled approximately 200,000 cubic feet; about three-quarters of this was exported and earned £275,000. The Chief Forestry Officer in Accra says the annual log cut reaches about 60 million cubic feet, of which 35 million is exported, largely in the form of logs. About 60 per cent of this consists of one species—wawa. The remaining logs are sawn into lumber, with 70 per cent of the resulting production exported.

Most logging operations are carried out with the aid of caterpillar tractors that haul loads to logging roads; from there the timber goes by truck to the railhead and on to the shipping port of Takoradi. The high-lead method of logging is not used because about one tree per acre is cut but it is possible that skyline extraction may have to be developed in the more rugged areas. All of the logs currently handled are large. Trees are felled at present by axe and bucking is done by hand cross-cut saws. Chain saws might be used, but they would have to be large and strong.

The sawmills are mostly band mills. The timbers are all hardwood and in most cases are harder than oak. If a portable sawmill could be put on the market capable of handling logs three to six feet in diameter, chances of selling it should be good, in the opinion of the Chief Forestry Officer.

There are no wood pulp plants in operation, although experiments are planned to discover whether bagasse and other local fibrous products could be used as raw materials for rough paper.

Some economists believe that for some time to come it will be more advantageous for Ghana to continue exporting logs than to begin manufacturing operations. Opinion is, however, that the Government of Ghana favours the conversion of logs into lumber and plywood with a view to developing domestic industries and increasing employment. At present, local consumption of manufactured timber products is low and facilities for the maintenance of machinery need improving. This situation is changing gradually and the long-term outlook is promising, both for increased local consumption and for exports of manufactured wood products.

—K. F. OSMOND, *Commercial Secretary, Accra.*

Ball Bearings

INDIA—The Swedish firm of SKF has joined with the Investment Corporation of India Ltd. (controlled by Tata's, the largest private industrial complex in India) to form a new company, Associated Bearing Company Limited. The new company has an authorized capital of approximately $15 million and its issued capital will approximate $6½ million, 60 per cent of which will be subscribed by SKF and a subsidiary. The new company will make ball and tapered bearings, the latter for the first time in India, plus certain specialized products for the cotton industry. Production is expected to begin by the end of next year—Bombay.

Cellulose

BRAZIL—The latest production figures for cellulose indicate that Brazil is now practically self-sufficient in short-fibre pulp. In 1955 she produced 68,000 tons and consumed 168,000; by 1958 production had increased to 180,000 tons and consumption to 275,000 tons. In 1960, production of cellulose of all types, including 350,000 tons of cellulose and 117,000 tons of semi-cellulose, reached 467,000 tons; consumption is estimated at 400,000 tons of long- and short-fibre pulp. At present, two thirds of national cellulose production is allocated to the paper industry to supplement its long-fibre requirements from abroad—Rio de Janeiro.

Citrus Fruit

SPAIN—Valencia oranges still on the tree in Spanish groves total approximately 40,000 tons and the export season is nearly over. Up to the beginning of June, exports amounted to 923,966 tons, compared with 964,578 tons in 1960 and 753,000 tons in 1959. But despite the drop in tonnage, foreign exchange proceeds this year may be 20-25 per cent higher than last because of better prices. West Germany remains Spain's best customer, buying 365,845 tons so far this season.

The Government has received favourably a recent request from the growers for the abolition of all restrictions on new groves, in view of increasing production in the United States, Morocco, Italy, and elsewhere. It is therefore expected that the "Decree on the Regulation of Production and Sales of Citrus Saplings", which appeared on the agenda of the Spanish Cabinet meeting in the middle of June, offers some provisions for the extension of citrus groves.

The FAO Citrus Group's report issued in June forecast large citrus crops in the Northern hemisphere for the 1961-62 season.

It is at present considered likely that greater quantities of winter oranges will in future be available for export, since a progressive increase in output, b from recent plantings and from future extensions, expected. The FAO report also recommended t efforts be made to concentrate on the promotion the consumption of citrus fruit—Madrid.

Diesel Trucks

SWEDEN—Since imports of heavy commer vehicles were freed from restrictions in Argentina year, Scania-Vabis of Sweden has obtained orders over 500 of its heaviest diesel trucks. Negotiations reported now going on for the sale of about 100 lo distance buses of the rear engine type.

Scania-Vabis entered the Argentina market in 19 During the two years that truck imports were allow the Swedish company delivered about 1,400 die trucks to Argentina from its Södertälje plant a became one of the leading sellers in the Argent truck market—Stockholm.

Fibreglass Products

JAMAICA—Two Canadian engineers have set up factory under Jamaica's Industrial Incentives Law the manufacture of fibreglass products, such as boa swimming pools, chairs, and do-it-yourself repair k for boats and automobiles. The new firm will mar its products locally and expects to export next ye to the other territories of the West Indies Federati —Kingston.

Natural Gas

JAPAN—The Teikoku Oil Co. in Japan has a nounced plans to construct a natural gas pipeline fr Kubiki, on the coast of the Japan Sea, to Tokyo provide 500,000 cubic metres of gas a day to t Tokyo Gas Company. A field of natural gas wi reserves estimated at 9,700 million cubic metres a located in the Kubiki area will be the source of supp The pipeline will be 350 kilometres long and constru tion will reportedly cost 5,000 million yen. Enginee from Teikoku Oil Company have been sent to Fran and the United States to study construction methods f high-pressure gas pipelines—Tokyo.

Steel

AUSTRALIA—Broken Hill Pty. Co. Ltd., produc steel at an annual rate of 3.75 million tons a ye during December and expects output in the near futu to reach an annual rate of 4 million tons. This h

een stated in a company report issued in the first uarter of this year. Directors state that demand for e company's products in the past six months has een heavy; the company was unable to meet customer quirements in full. However, since increased capacity becoming available, steel users have been advised consult with the company before undertaking further nports. Ingot steelmaking capacity was actually raised y 11 per cent during the 12 months to November, but emand is estimated to have risen by about 34 er cent. (In that period, the BHP group spent £36 illion on capital works.) Production of steel ingot rose om 1.7 to 1.8 million tons in the half year to May. he industry's current rate of expansion is geared to ustralia's expected rate of growth in demand for eel, say company directors. Present planning should ctually yield productive capacity higher than the pected long-term market—Melbourne.

APAN—A 14-year project initiated in May by the awata Iron and Steel Co. will result in construction one of the largest integrated steel mills in the orld. It is being built at Kisarazu, Chiba Prefecture, ot far from Tokyo. The mill will contain six large last furnaces capable of supplying 6.5 million tons of ude steel a year, which will be processed into prod-ts such as wire, plates, sheets, pipes, and bars. The rst unit will be a cold roll mill which is expected to e ready for operation in a year's time—Tokyo.

ulphur

NITED STATES—Construction was started recently n a major sulphur terminal for Freeport Sulphur ompany, Tampa, Florida. The terminal—Tampa's tird—will be located on a ten-acre tract along Spark-an Channel at Hookers Point. Sulphur Terminals ompany of New Orleans, under contract to Freeport ulphur Company, will own and operate the terminal, roviding docking facilities for liquid sulphur, storage nks, and truck and rail-loading facilities.

The new installation is needed to service the boom-g triple superphosphate industry at Tampa which ow manufactures two thirds of world consumption concentrated fertilizer. Sulphuric acid production in e Tampa Bay area has increased by 450 per cent uring the past ten years because of its use in the anufacture of fertilizer—New Orleans.

ulphuric Acid

NDIA—Indian production of sulphuric acid increased y 20 per cent in 1960 to 350,000 tons. Planned apacity by the end of the Third Five Year Plan in 966 is 1.5 million tons a year, most of which has ready been licensed. The bulk of this increased apacity will be absorbed by the rapidly expanding emical fertilizer industry. Because India is deficient in sulphur, imports of this material will have to be stepped up if the Plan target is to be realized—New Delhi.

Telephones

INDIA—There are now 460,000 telephones in India compared with 260,000 at the end of the First Five Year Plan in 1955-56. Up to November 1960, Indian Telephone Industries Ltd., Bangalore, produced during the Second Five Year Plan (1955-56 to 1960-61) 363,172 telephones and 223,585 exchange lines. By the end of the Third Five Year Plan (1965-66) annual production is expected to reach 180,000 telephones and 130,000 exchange lines and transmission equipment—New Delhi.

Timber

SWEDEN—Final figures for Sweden's timber exports in 1960 are not yet compiled, but the quantity will be well over one million standards, says the Swedish Wood Exporters Association in a survey of market developments. Export sales started exceptionally early and by the beginning of 1960, half the expected export total had been sold.

Judging from the rate of selling during the preliminary stages of the 1961 season, demand has been unexpectedly good, especially from the United Kingdom and the Netherlands. Swedish sales for the coming shipping season are estimated to have increased to about 350,000 standards, corresponding roughly to 40 per cent of the estimated export potential.

Though, generally speaking, Swedish exporters should be able to view immediate prospects with confidence, they cannot expect as brisk a market in 1961 as in 1960, the Association reports. Contrary to a year ago, stocks of timber in the importing countries are at present generally filled up. Consequently the principal boom-creating factor has disappeared and the market will probably show a quieter development. Competition from other exporting countries may be intensified—Stockholm.

Tractors

TAIWAN—A tractor plant has been erected in Taiwan by joint Sino-Japanese investment, and of the total capital outlay of U.S.$27 million, the two Japanese manufacturers have supplied 68 per cent in the form of machinery and equipment.

The factory began operations in July, with a production capacity of 100 to 200 tractors a month.

It is reported that foreign exchange and trade control authorities will continue to allow the import of tractors. At present, imports are estimated to supply about 50 per cent of the tractor requirements—Manila.

FOREIGN TARIFF
AND TRADE REGULATION

Cyprus

IMPORT RESTRICTIONS RELAXED—The Ministry of Commerce and Industry, Cyprus, has announced that consideration will be given to applications to import the following goods from the dollar area:

Meat and meat preparations, except killed poultry
Milk and cream, evaporated, condensed or dry
Rice not in the husk
Prepared breakfast foods
Coffee extracts, coffee essences and similar preparations containing coffee
Whisky
Petroleum products
Edible vegetable oils
Dyeing, tanning and colouring materials
Medicinal and pharmaceutical products
Perfumery, cosmetics, dentifrices and other toilet preparations except soaps
Hunting or sporting ammunition
Insecticides, fungicides, disinfectants, sheep and cattle dressing
Casein, gelatin, glue
Chemical materials and products, n.e.s.
Rubber tires and tubes for vehicles
Asphalted fabric
Sporting guns
Agricultural machinery and implements
Tractors
Office working machinery
Metal working machinery
Mining, construction and other industrial machinery
Optical instruments and appliances
Photographic and cinematographic apparatus and appliances
Surgical, medical and dental instruments and appliances
Photographic and cinematographic supplies
Exposed cinematographic films

Only applications that are accompanied by a pro forma invoice will be considered.

Information about commodities which had been previously liberalized may be obtained from the International Trade Relations Branch of the Department.

Italy

IMPORT LIBERALIZATION—Effective June 27, Italy announced further import liberalization measures. Among the products liberalized, the following will be of interest to Canadian exporters.

Frozen fruit, with or without added sugar
Crude tallow, neither rendered nor melted
Lard stearine
Fish fats and oils
Hydrogenated animal and vegetable fats and o whether or not refined, but not further prepared
Margarine, imitation lard and other prepared ed fats
Canned fruit

Jamaica

TARIFF CHANGES ANNOUNCED—The Jamai Government has announced increases in the imp duties under the Preferential and General tariffs resp tively on certain goods, including the following (forn rates in parentheses):

721-04	Radio apparatus for telegraphy, telephony, television and radar (including broadcasting, transmission and reception equipment with amplifiers of all kinds, thermionic or electronic tubes and valves, photo-electric cells, supersonic or electro-magnetic echo sounding apparatus and detectors)	20% and 3 (15% and 2
735-09	Ships and boats, not elsewhere specified (including ships for breaking up)	25% and 3 (Free and F
891-01	Phonographs (gramophones), including record players	20% and 3 (15% and 2
899-08	Mechanical (electric, gas, or other types) refrigerators, self-contained units	(20% and 3 (15% and 2

In addition to the import duties, Jamaica impose tonnage tax, based on weight, on the above items.

The Jamaican Government also announced increa in the rates of duty on some alcoholic beverages and cigarettes. Details about these changes may be obtair from the International Trade Relations Branch.

Paraguay

LAFTA RATIFIED—On June 21, Paraguay beca the seventh country to ratify the Montevideo Trea On that date Paraguay's representative deposited t Republic's instruments of ratification in Montevid the Latin American Free Trade Association's hea quarters. This brings the terms of the free trade tre into force for Paraguay thirty days after deposit of i ratification.

The Latin American Free Trade Area came in force on June 1, 1961, for Argentina, Brazil, Chi Mexico, Peru and Uruguay. Preparations are bei

made for a meeting in Montevideo late this month or early in August to open tariff negotiations among the signatories as the first stage of reducing trade barriers within the area over the next twelve years.

Turkey

IMPORT PROGRAM ANNOUNCED—According to a cablegram from the Canadian Commercial Counsellor in Athens, Greece, the new import program of Turkey for the second half of 1961 was announced on July 4. Both the free import list and seventh quota list follow closely in content the lists in force from January 1, 1961. The new lists are based on the revised customs tariff effective January 11, 1961.

Limited now to financing by the International Co-operation Administration, which will exclude Canada as a source of supply, are the following commodities from the two lists.

(1) Quota items: plastic raw materials, engines and electric motors, machine tools, roadbuilding and construction equipment, iron and steel products, lorries, vans, buses.

(2) Free list items: rubber, mineral oils, bearings, vehicle and mechanical spares, tires and tubes, tinplate, synthetic artificial yarns, various chemicals.

The quota items total $101 million (U.S. currency) including $35 million for U.S. wheat, $12 million for machinery and plant, $10 million for Izmir Fair imports, $2.5 million for antibiotics and other medicine. Import licences for all quota items are to be applied for by August 4.

Detailed information will be available when the official text is received.

TRADE COMMISSIONERS ON TOUR

In Canada

MR. M. DALE, Trade Commissioner in Cape Town, South Africa:

Thetford Mines—July 30	Montreal—Sept. 1
Fort William—Aug. 4	Saint John, N.B.—Sept. 2
Vancouver, Victoria—Aug. 7-19	Halifax—Sept. 7, 8, 9 (a.m.)
Calgary—Aug. 21, 22 (a.m.)	Charlottetown—Sept. 11, 12 (a.m.)
Edmonton—Aug. 23, 24 (a.m.)	St. John's, Newfoundland—Sept. 13-14
Winnipeg—Aug. 25-28	Halifax—Sept. 15
Ottawa—Aug. 31	

When he completes his tour and home leave, Mr. Dale will return to Capetown.

D. B. LAUGHTON, Agricultural Secretary in London, England:

Kelowna—Aug. 1-2

When he completes his tour, Mr. Laughton will take home leave and then return to London.

W. VAN VLIET, formerly Commercial Counsellor in Moscow, and R. V. N. GORDON, Consul and Trade Commissioner in Detroit, who will take over the post in the U.S.S.R.:

Montreal—July 31-Aug. 1 Toronto—Aug. 3-4

After taking leave, Mr. Van Vliet will be posted to Washington as Agricultural Counsellor.

H. W. RICHARDSON, Commercial Counsellor in Lagos, Nigeria:

Montreal—July 31-Aug. 4

Mr. Richardson will return to Lagos.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Medellin August 6-9.

R. A. BULL, Assistant Commercial Secretary in Bogotá, Colombia, will visit Quito and Guayaquil, Ecuador, during the week beginning August 14.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey and Mr. Bull at Bogotá, Mr. Freyseng at Vienna, and Mr. Gallow at Johannesburg.

Index to *Foreign Trade*

The index to Volume 115 of Foreign Trade, *covering the issues from January 14, 1961, to June 17, 1961, has now been printed. Readers who wish to have copies should write to the Editor.*

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & T[...]
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Phone:* 28-5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-3473
Australia	R. B. Nickson Commercial Counsellor	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Phone:* U-1304 *Telex:* CBA C217 (DOMCAN CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor for Canada P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97 *Telex:* 1-3380 (DOMCAN VIENNA)
Belgium Luxembourg, European Economic Community, European Atomic Energy Community, European Coal and Steel Community	L. H. Ausman Commercial Counsellor (absent) A. A. Lomas Acting Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 13.38.50 *Telex:* 0-2613 (DOMCAN BRU)
Brazil	Wm. Jones Commercial Counsellor (absent) Malcolm Rowan Acting Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Phone:* 42-4140 *Telex:* RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Phone:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Phone:* 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Phone:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul R. A. Bull Assistant Commercial Secretary and Vice Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 8582 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Phone:* 43-00-65

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Phone:* 2706 *Telex:* LEO 68 (DOMCAN LEO)
Cuba	P. A. Savard Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Phone:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* BALzac 99-55 *Telex:* 2-0600 (DOMCAN PARIS)
Germany Federal Republic	J. A. Stiles Commercial Counsellor (absent) W. J. O'Connor Acting Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 21971 *Telex:* 886421 OR 886422 (DOMCAN BONN)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Phone:* 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Phone:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Phone:* 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone & T
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor B. Horth Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area New Delhi 1	*Mail:* P.O. Box 11 *Cable:* Canadian *Phone:* 74261
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner	Gresham Assurance House Mint Road Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Phone:* 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 Djakarta	*Mail:* (City Address) *Cable:* Canadian *Phone:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Embassy 32 Anatole France Tehran	*Mail:* P.O. Box 1610 *Cable:* Cantracom *Phone:* 4-9291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. Dublin	*Mail:* (City Address) *Cable:* Canadian *Phone:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 Rome	*Mail:* (City Address) *Cable:* Canadian *Phone:* 864-327 *Telex:* RMO 86 (RMO 86 Domcan or RMO 56 Domcan)
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Tokyo	*Mail:* Canadian Embassy *Cable:* Canadian *Phone:* 408-2101/8 *Telex:* TK 2218 (Domcan TK 2218)
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau Beirut	*Mail:* Boîte Postale 2300 *Cable:* Canadian *Phone:* 50955
Mexico	F. B. Clark Commercial Counsellor (absent) W. M. Miner Acting Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor Mexico 5, D.F.	*Mail:* Apartado 25364 *Cable:* Canadian *Phone:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 The Hague	*Mail:* (City Address) *Cable:* Canadian *Phone:* 61-41-11 *Telex:* 31270 (Domcan Hague)
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Phone:* 70-644 *Telex:* WGN 9 (Domcan WGN)
Nigeria	H. W. Richardson Commercial Counsellor (absent) C. T. Charland Acting Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road Lagos	*Mail:* P.O. Box 851 *Cable:* Canadian *Phone:* 25262

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Phone:* 33-30-80
Pakistan Afghanistan	J. E. P. Lancaster Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Phone:* 50322 *Telex:* KRC 10
Peru Bolivia	W. J. Jenkins Acting Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Phone:* 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner (absent) R. M. Dawson Vice-Consul and Acting Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Phone:* 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Phone:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Phone:* 74260
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Phone:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner (absent)	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Phone:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Phone:* 47-54-00
Sweden Finland	G. F. G. Hughes Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Phone:* 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44-63-81 *Telex:* 2-2386 (DOMCAN GENEVE)
Union of Soviet Socialist Republics	Commercial Counsellor (absent)	Canadian Embassy 23 Starokonyushenny Pereulok MOSCOW	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 415142
United Arab Republic Egyptian Region Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Phone:* 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone & Te
United Kingdom	B. C. Butler Minister (Commercial) S. G. Tregaskes Commercial Counsellor (absent) W. Gibson-Smith Commercial Counsellor D. B. Laughton Agricultural Secretary (absent)	Office of the High Commissioner for Canada One Grosvenor Square LONDON, W.1	*Mail:* (City Address) *Cable:* SLEIGHING, LONDON, W.1 *Phone:* Mayfair 9492 *Telex:* 2-2526 OR 2-8240 DOMINION LDN)
	E. J. White Commercial Secretary (Timber)		*Cable:* TIMCOM, LONDON, W.1
	W. A. Stewart Acting Agricultural Secretary Geo. Hazen Assistant Commercial Secretary S. G. Harris Assistant Commercial Secretary		
United Kingdom (Midlands, North England)	Canadian Government Trade Commissioner (absent)	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Central 0625
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner E. J. Ward Assistant Trade Commissioner (Timber)	Cornhill House 144 West George St. GLASGOW C.2	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* Douglas 6751
United Kingdom (Northern Ireland)	P. V. McLane Canadian Government Trade Commissioner E. J. Ward Assistant Trade Commissioner (Timber)	36 Victoria Square BELFAST	*Mail:* (City Address) *Phone:* 21867
United States	M. Schwarzmann Minister-Counsellor (Economic) D. A. B. Marshall Agricultural Counsellor J. D. Blackwood Assistant Commercial Secretary J. MacNaught Assistant Agricultural Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States (Connecticut, New Jersey, New York) Bermuda	B. I. Rankin Deputy Consul General (Commercial) A. A. Caron Consul and Trade Commissioner R. D. Sirrs Consul and Assistant Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* JUdson 6-2400

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner L. D. R. Dyke Vice-Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston Street BOSTON 16	*Mail:* (City Address) *Phone:* COngress 2-1245
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	H. J. Horne Consul and Trade Commissioner N. L. Currie Vice Consul and Assistant Trade Commissioner D. A. Hilton Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* RAndolph 6-6033
United States (Michigan, Ohio)	R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Phone:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Phone:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner G. E. Blackstock Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* JAckson 5-2136
United States (Delaware, Maryland, Pennsylvania, Virginia, West Virginia)	W. J. Millyard Consul and Trade Commissioner J. B. McLaren Vice Consul and Assistant Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	*Mail:* (City Address) *Phone:* LOCUST 35838
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Phone:* MUtual 2-3515
Uruguay Paraguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	*Mail:* Apartado 11452-Este *Cable:* CANADIAN *Phone:* 32.40.41.44
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Counsellor R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Phone:* 34787
West Indies (Jamaica) Bahamas, British Honduras	Canadian Government Trade Commissioner (absent) C. G. Bullis Acting Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Phone:* 2-2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .967878.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 17	Units per Canadian dollar	Notes (See bel
Argentina	Peso		.01253	79.81	
Austria	Schilling		.03959	25.26	
Australia	Pound		2.3013	.4345	
Bahamas	Pound		2.8766	.3476	
Belgium and Luxembourg	Franc		.02074	48.22	
Bermuda	Pound		2.8766	.3476	
Bolivia	Boliviano	Free	.00008802	11,361.05	
British Guiana	Dollar		.5993	1.67	
British Honduras	Dollar		.7142	1.40	
Brazil	Cruzeiro	Free	.004001	249.94	
		Special Category	†	†	
Burma	Kyat		.2168	4.61	
Ceylon	Rupee		.2157	4.64	
Chile	Escudo		.9812	1.01916	
Colombia	Peso	Certificate	.1541	6.50	
Congo, Republic of	Franc		.02074	48.22	
Costa Rica	Colon	Official	.1838	5.44	
		Controlled free	.1553	6.44	
Cuba	Peso		1.03219	.9688	ta:
Czechoslovakia	Koruna		.1434	6.97	
Denmark	Krone		.1489	6.71	
Dominican Republic	Peso		1.03219	.9688	
Ecuador	Sucre	Official	.06882	14.53	
		Free	.05883	17.00	
Egyptian Region, United Arab Rep.	Pound	Official	2.9640	.3374	
El Salvador	Colon		.4129	2.42	
Fiji	Pound		2.5915	.3859	
Finland	Markka		.003226	309.98	
France, Monaco, etc.	New Franc		.2106	4.75	
Franco-African Republics, etc.	Franc		.004214	237.30	
French Pacific	Franc		.01158	86.35	
Germany	D Mark		.2594	3.85	
Ghana	Pound		2.8766	.3476	
Greece	Drachma		.03440	29.07	
Guatemala	Quetzal		1.03219	.9688	
Haiti	Gourde		.2064	4.84	
Honduras	Lempira		.5161	1.94	
Hong Kong	Dollar	Free*	.1770	5.65	*J
		Official	.1798	5.56	
Iceland	Krona	Official	.02716	36.82	
India	Rupee		.2157	4.64	
Indonesia	Rupiah	Official	.02293	43.60	
Iran	Rial		.01362	73.39	
Iraq	Dinar		2.8901	.3460	
Ireland	Pound		2.8766	.3476	
Israel	Pound		.5734	1.74	
Italy	Lira		.001663	601.32	
Japan	Yen		.002867	348.80	

†Exchange auctions will be held each week for limited amounts of exchange.

*Latest available quotation date.

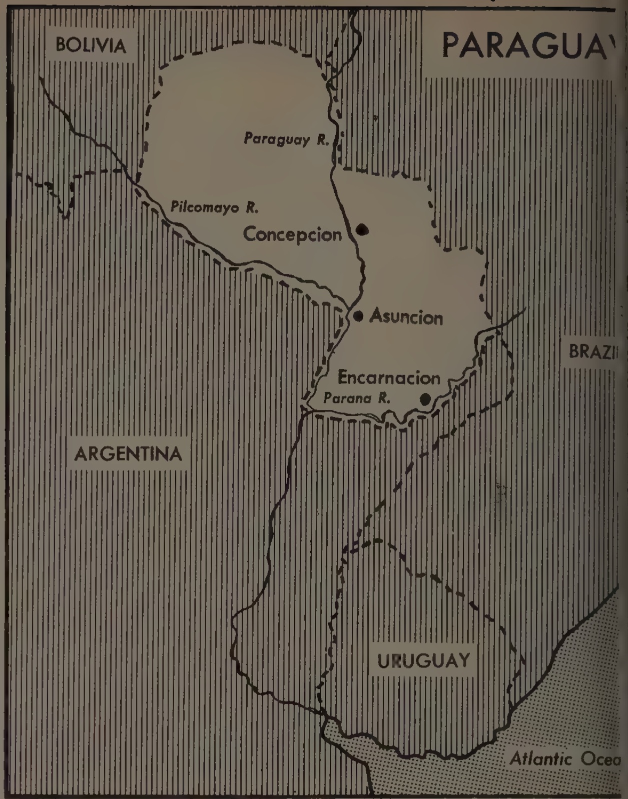
Country	Unit	Type of Exchange	Can. dollar equivalent July 17	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3243	3.08	
Mexico	Peso		.08258	12.11	
Morocco	Dirham		.2064	4.84	
Netherlands	Florin		.2873	3.48	
Netherlands Antilles	Florin		.5473	1.83	
New Zealand	Pound		2.8766	.3476	
Nicaragua	Cordoba	Effective buying	.1564	6.39	
		Official selling	.1464	6.83	
Nigeria	Pound		2.8766	.3476	
Norway	Krone		.1440	6.94	
Pakistan	Rupee		.2157	4.64	
Panama	Balboa		1.03219	.9688	
Paraguay	Guarani	Official	.008160	122.55	
Peru	Sol		.03851	25.97	
Philippines	Peso	Free	.3441	2.91	
		Official	.5161	1.94	
Portugal & Colonies	Escudo		.03602	27. 76	(5)
Republic of South Africa	Rand		1.4383	.6953	
Singapore and Malaya	Straits Dollar		.3356	2.98	
Spain and Dependencies	Peseta		.01720	58.13	
Sweden	Krona		.1996	5.01	
Switzerland	Franc		.2392	4.18	
Syrian Region, United Arab Rep.	Pound	Free	28.82	3.47	
Thailand	Baht	Free	.04882	20.48	(4)
Tunisia	Dinar		2.4773	.4037	
Turkey	Lira		.1147	8.72	(4)
United Kingdom	Pound		2.8766	.3476	
United States	Dollar		1.0321875	.967878	
Uruguay	Peso		.09358	10.69	
Venezuela	Bolivar	Official	.3086	3.24	
		Free	.2240	4.46	
West Indies Fed.	Dollar		.5993	1.67	(6)
	Pound		2.8766	.3476	(7)
Yugoslavia	Dinar	Official	.001376	726.74	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

Paraguay



Area: 157,000 square miles.

Population: 1,600,000.

Climate: sub-tropical.

Language: Spanish; all sales literature must be in Spanish.

Currency: guarani; one guarani=Can.$.008160.

Weights and measures: metric system.

Capital: Asunción, altitude 500 feet.

Chief port: Asunción, four days by small ship from Buenos Aires.

Marketing centres: Asunción (population) 210,000; Encarnación 40,900; Concepción 35,600.

Economy: mainly dependent on production of timber, quebracho, meat products, oils and cotton fibre. No mechanical industry.

Total Paraguayan imports: 1960—U.S.$32.2 million; 1959—U.S.$26.2 million.

Chief imports: (U.S.$ million) 1960—machinery and motors 5.4, wheat 4.4, vehicles and accessories 3.8, fuels and lubricants 3.3, textiles and manufactures 2.5, ships 2.1, food and beverages 2.0, iron and steel 1.9, other metals 1.9, chemicals and pharmaceuticals 1.3.

Chief suppliers: (in per cent) 1959—Argentina 28.3, United States 20.2, West Germany 12.4, Netherlands Antilles 9.1, United Kingdom 8.7.

Value of imports from Canada: 1960—Can.$120,257; 1959—Can.$113,824.

Chief imports from Canada: (Can.$) 1960—powdered milk 30,175, tires and inner tubes 24,099, canned meat 24,000, cars 14,807, office machinery 5,952.

Total Paraguayan exports: 1960—U.S.$27.0 million; 1959—U.S.$31.2 million.

Chief exports: (U.S.$ million) 1960—meat products 7.1, timber 5, tannin 3, maté 2.6, hides 2.2, oilseeds 1.4, essential oils 0.9, cotton fibre 0.3.

Chief markets: (in per cent) 1959—United States 33.0, Argentina 20.6, United Kingdom 9.6, Netherlands 8.5, West Germany 4.6, Uruguay 2.8, Belgium 2.0.

Value of Canadian purchases: 1960—Can.$759,782; 1959—Can.$746,496.

Canadian purchases: (Can.$) 1960—corned beef 499, chinawood oil 130,782, quebracho extract 83,101, m extracts 34,006, coffee (green) 12,776.

Dollar exchange: freely available, but its purchase a matically restricted by a sliding scale of prior depo up to 400 per cent of f.o.b. value of imports, accor to their degree of essentiality.

Prices: quote only in U.S. dollars.

Samples: import restricted if of commercial value.

Import controls, documentation, customs tariffs, marking labelling: consult the International Trade Relati Branch, Department of Trade and Commerce, Ottawa.

Correspondence: airmail only.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
Casilla Postal 852
Montevideo, Uruguay
(by airmail only)

Roger Duhamel
QUEEN'S PRINTER

If undelivered return to:
The Queen's Printer, Ottawa, Canada

How can I exhibit in Lagos and Accra...

DEPARTMENT OF TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, July 21, 1961.

Mr. A.D. Adams,
Director of Publicity,
Equipment Association of Canada,
Montreal, Quebec.

Dear Mr. Adams:

As requested in your letter of July 19, I am pleased t
provide the information you asked for on the Canadian Trade Fai
to be staged in Ghana and Nigeria early next year.

The first exhibition will be held in Lagos, January 17
1962, at the Exhibition Grounds on Victoria Island. It will th
move to the Polo Grounds in Accra where the exhibition will run
February 14-24. Commodity exhibits will be housed in individua
booths, each bearing the exhibitor's identification as well as
name of the local agent. Booth units measure 10' x 10' and fit
and decoration will be provided without charge to the exhibitor
Your products will be shipped from a Canadian assembly point to
site of the fairs and returned, if necessary, without charge ex
that a maximum freight allowance will apply to very heavy equip

In order to handle trade inquiries effectively, all bo
must be manned by company representatives or local agents in Gh
and Nigeria. Attendance at the fairs will also provide an oppo
tunity to gain first-hand knowledge of the requirements of thes
rapidly expanding markets. The enclosed brochure provides furt
details on the plan of exhibits, hours of operation, transporta
arrangements, and so on. If there are further questions which
can answer, please feel free to write or telephone at any time.

I am also sending you a booklet covering the Departmen
complete trade fair program for 1961 and early 1962. You may w
to bring it to the attention of your member companies.

Yours very truly,

Chief, Trade Fairs Abroad Divis
Trade Publicity Branch.

Trade and Commerce Can Help Y

South Africa's Reserves Decline (page 2)

Protesting Bills of Exchange (page 18)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

AUG. 12. 61

FOREIGN TRADE

AUGUST 12, 1961 Vol. 116 No. 4

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COMING——WHAT KIND OF A MARKET IS BELGIUM? IN AUGUST 26 ISSUE

96688-7—1

South Africa's Reserves Decline

As foreign exchange supplies reached a 12-year low, Governm acted to stem outflow of capital, rebuild reserves. What will t effect be on investment in and foreign trade of the new Republi

C. R. GALLOW,
Trade Commissioner, Johannesburg.

SOUTH AFRICA'S Minister of Finance announced in mid-June that the policy of the open door enjoyed by foreign capital invested here would have to be suspended immediately to stem the outflow of capital and protect the country's foreign exchange reserves. The hope was, he added, that the suspension would be temporary. Foreign holders of South African securities who sell their stock to a South African resident can no longer repatriate the proceeds. The funds they obtain must remain in the Republic and can only be used to buy other "quoted" investments—i.e., quoted on the Johannesburg Stock Exchange. The sellers cannot take the money out of the country nor can they invest it in any other way in the country. South African residents must within thirty days bring back to the Republic any monies held abroad and at the same time declare to the authorities all investments held overseas and guarantee to bring back the proceeds of the sale of any of these in the future. Residents no longer may send money out of the country to buy shares in London or Rhodesia.

There have been some explanatory announcements since, including one dealing with profits and one with previous buying commitments. Profits and dividends will contir to be repatriated freely, provid that they were earned after Janua 1, 1960, and the company has ready cash available to transfer. R patriation of profits earned befo that date now requires special a proval. Approval is needed wh profits before and after that d have been ploughed back into t business and could only be tran ferred through the use of ba loans. Transfer of funds to cov any legitimate stock purchase agre ments made with overseas sell just before the new regulations car out will be permitted, provid satisfactory evidence of the deal presented.

Other steps that the Reser Bank has taken during the past fe months to stop the leakage of cap tal from the Republic include sha decreases in funds permitted for fo eign travel and to emigrants, an closer scrutiny of all overseas pa ments.

Capital Flows Out

The objective of the new regul tions is, of course, to stop th outflow of capital and rebuild th foreign exchange reserves of th Republic. Recent estimates indica that as much as $140 million capital may have gone out of th country in the first five months this year, to be added to approx mately $270 million during th whole of last year. In 1960, th capital flow from South Africa ap proximated $73 million in the fir quarter, $78 million in the secon $81 million in the third, and $4 million in the fourth. Much of th total moving out last year was fo eign-owned. Up to June of this yea the movement had been roughly $5 million in the first quarter, wit current estimates indicating an in creased rate in April and May, fo lowing South Africa's withdraw

m the Commonwealth. The pat-
n too had changed, with South
ican domestic capital gaining
mentum and the withdrawal of
eign-owned capital slackening

serves Drop Sharply

n 1960 the gold and foreign ex-
nge reserves dropped by $185 lion, compared with a rise of 2 million during 1959. The de-
le resulted from an increase in ports of $186 million in 1960
l a net capital outflow more than uble that of 1959. A modest in-
ase of $8 million in merchandise ports plus a rise of $42 million net gold production were almost et by a rise of $39 million in invisible payments. In spite of steep rise in imports, the bal-
e of payments on current ac-
nt still showed a net surplus of 2 million last year.

The country's gold and foreign hange reserves reached a high of t over $420 million in January 60, but by the third week of ne this year had dropped to $199 lion, the lowest point in the last lve years. (They recovered frac-
nally to $209 million the follow-
 week.) In addition, there is an imated $840 million worth of oted South African shares still d by investors overseas and the horities could scarcely ignore the eat to the country's reserves if y were sold to South African idents. Other foreign capital in-
sted in the country in plant or perty must have specific ap-
oval for repatriation.

While it had become traditional expect that the South African thorities would agree to the free vement of capital into and out of country, this can no longer be nsidered automatic and will de-
nd on the individual proposition.

oney Tightened

These changes in South Africa's ernational financial position are, course, reflected in internal de-
lopments. It is not surprising to te that South African gold shares and, to a lesser extent, industrials have fluctuated wildly at times. This year prices sagged badly because the substantial buying support from the large financial institutions in the Republic available last year was lacking, as their funds are committed and bank credit is tight. Stock Exchange statistics show that between December 31, 1959, and March 30, 1961, South African securities in total have depreciated by 26 per cent. The sharp fall came during 1960 but since then there has been little recovery. Between April 15 and April 30, following South Africa's withdrawal from the Commonwealth, gold-share prices dropped by about 15 per cent and have lagged since. With the new regulations putting an end to arbitrage dealings, the prices of South African shares on European exchanges will be able to remain well

South Africa in 1961

The principal factors governing the current situation in the Republic of South Africa are:

- The foreign exchange reserves are at a critical level.
- Seasonal import/export trends usually depress the reserves from April to October.
- Purchases of shares overseas arranged but not executed when the blocking was announced are likely to be honoured. These payments abroad may be a drain on reserves for a couple of months yet.
- Import restrictions will not take full effect for a month or two.
- Overseas loans due for refinancing this year are reported to total $70 million and there is some speculation that as much as $140 million may be due in the next fiscal year.
- Gold production is expected to continue to expand and to add to the Republic's foreign reserves.
- Forecasts are that import restrictions may save as much as $150 million in a year when fully applied.
- The hope is that commodity exports will equal or better last year's total.
- Capital outflow should now be practically blocked.
- The value of the overseas holdings of South African residents, due for repatriation under the new regulations, is not known nor estimated so far.

96688-7—2

below Johannesburg prices for long periods without any stock movement.

The drain of capital overseas is accentuating the internal shortage of money and has compelled banks to tighten up on overdrafts. The Building Societies too report a shortage of funds and their ability to lend on mortgages is being further restricted by the fall in the rate of deposits. Another sign of tight money was the recent announcement by the Minister of Finance that the Government is having difficulty raising money to redeem internal loans of more than $175 million that fell due on June 1. Possibly these new restrictions on the withdrawal of foreign capital will make more money available later.

Earlier in March, when presenting his budget, the Minister made temporary reductions in income tax, both personal and corporate. He also increased import duties on non-essential goods, at the same time raising the customs and excise duties on larger cars with the declared intention of stimulating and developing savings and domestic industry and protecting the balance of payments. In May, he reversed that cheap money and easy credit policy by introducing new austerity measures—upping the bank rate by ½ per cent to 5 per cent, the yields on government stocks by ¼ per cent, and the deposits of commercial banks with the Reserve Bank to 8 per cent from 6 per cent.

Import Controls Stricter

Tied in with the austerity financial measures introduced in May was a program of intensified import controls that made textile piece-goods once more subject to import licence and saw the quotas for luxury and consumer goods cut by more than half. Additional emphasis has been placed on domestic production; importers are required now to satisfy the authorities that they are unable to obtain their requirements from local manufacturers and that the import of the material is in the best interests of the country at the present time. The new list of goods commonly referred to as the "restricted list" includes a number of products of interest to Canadian exporters, such as foodstuffs; lawnmowers, washing machines, floor-polishers; paper and cardboard; hardware; wood; jewellery; mechanical and electrical machinery, apparatus and appliances; welding electrodes; abrasives; pipes, tubes and pipe fittings. The restrictions may also affect other Canac products indirectly because porters now have to surrender to three times the value of an ex ing consumer goods licence fo new specific licence. Some of th may cancel existing or propo orders so that they can balance tl requirements. (For fuller infor tion on South Africa's import c trols, see page 23.)

The purpose of the new rest tions is to save exchange and to stimulate domestic industry. private source estimates a poss saving of some $150 million a y provided the controls can strictly applied. The impetus local industry may, however, counter some snags because of tightness of funds on the dome market. Consumer demand is running full out; rather, it is c tious. If the South African manuf turer needs credit to expand to m the demand switched from impo he may find it difficult to get it fr the bank at all, or at a satisfact rate.

Exports and Imports

The latest figures released Customs and Excise show a favo able visible trade balance of about $250 million for the first f months of this year, up $95 milli over the same period last year. E ports of merchandise and gold b lion totalled $898 million in t period; show a doubling in value maize, with some increase in d monds and fruit. Exports of w and prescribed materials under t Atomic Energy Act decreased. I ports during the period totall

Workers come off shift at the dee shaft of West Rand Consolidated Gold Mines Limited. Greater pr duction of gold, up by $16 millior in the first four months of the yea has helped to moderate the fall in South Africa's exchange reserve

69 million, just fractionally lower than for the similar period of last year. Payments for invisibles are estimated at about $127 million, which leaves a credit on the balance of payments of about $123 million.

Exports for 1960 were marginally higher than the year before. During the first half, the figures were running well above those of 1959 but during the second half they were running behind the rate for the second half of that year. Exports (excluding gold) in 1960 totalled $1,225 million—up about 12 million. Including gold, they totalled $2,027 million; gold shipped exceeded that in the previous year by some $125 million. Imports, on the other hand, increased substantially—about $188 million for the year; they totalled $1555 million and the rise over 1959 is attributed to the fact that in the previous year merchants were overstocked with imported goods.

Although the trend was disappointing last year, it may improve this year. However, the first quarter of 1961 was generally satisfactory, so that performance for the whole year cannot be safely forecast on this basis.

Canadian Exports Increase

The latest statistics available for trade between Canada and the Republic cover 1960. They show a small increase over 1959 in the value of Canada's exports to the Republic and a substantial rise in South Africa's exports to Canada. In 1960 Canada's exports were up by nearly $1.5 million to a total of $52.6 million. The best growth was recorded for motor vehicles and parts, as well as for synthetic rubber and plastics in basic forms. Sales of synthetic fibre thread and yarn, lumber, newsprint and paper, steel wire rod, aluminum in primary and semi-fabricated forms, drugs and chemicals and unexposed film were also improved. Unfortunately there was a substantial decline in sales of wheat and railway rails and declines also for leather, tallow and oils.

The Republic's exports to Canada jumped in value by about 80 per cent (or nearly $5 million) to reach almost $11.5 million. The main increases were in oranges, raw sugar and ferro-manganese, but sales of canned pineapple, green peanuts, brandy and wine, tobacco, electric precision instruments, manganese ore and fluorspar also expanded.

Expansion Slows Up

The Republic's domestic economy showed continued expansion during 1960 but at a lower rate than in 1959; the rate of increase appeared to diminish during the second half, though the trend was still upward. Because of the outflow of capital and the tightening of exchange and import controls, the forecast is that businessmen will be cautious, particularly about long-term projects, and some slowing down in the economy is anticipated.

Retail trade in Johannesburg during 1960 just managed to achieve a 1.3 per cent increase over 1959, mainly because big gains in three fields—department, drug and book stores—offset the decreases in grocery, jewellery and liquor stores. The department-store type of retail outlet is growing at the expense of the specialized merchants. Similar conditions are reported for the first quarter of 1961.

Published reports indicate that the construction industry may be facing difficult times. In each quarter since mid-1960, the value of plans passed has been lower than for the corresponding quarter of the previous year. Private home building in particular is feeling the pinch of tight money and the curtailment of building loans. The building supplies industry and the labour market have also started to feel the effects.

Buoyancy is lacking in the manufacturing industries generally, but manufacturers of agricultural machinery and footwear are apparently receiving better than usual orders. The latest of the monthly bank surveys reports that private manufacturing firms are experiencing almost normal activity, with orders about equal to those at this time last year. A number of sectors, however, report slack conditions and several drew attention to the fact that although they are operating satisfactorily at present, there is little optimism for the future because new orders are slow in coming.

If it had not been for increased gold production in the first four months of this year, it seems probable that the fall in the Republic's foreign exchange reserves would have been much greater. From January to April the holdings of gold and foreign assets registered a net decline of $11 million and during that same period gold produced rose by $16 million to total approximately $259 million for the four months, about $20 million higher than in the same period in 1960.

It has just been announced that the International Monetary Fund has agreed to a standby arrangement with the Republic, under which the country will be able to draw up to $75 million over the next twelve months. At the time of writing, no details are available.

The best prospects for Canada's participation in the market centre mainly on the supply of industrial equipment and materials that do not compete with domestic products. In *Foreign Trade* of May 20, 1961, more details of export prospects were given in an article called "The Market in South Africa". The devaluation of the Canadian dollar should also help to improve our competitive position. There is still, and likely will continue to be, interest here in investment by Canadian firms in manufacturing facilities in the Republic as well as in exploring the possibilities of partnership manufacturing arrangements with Canadian firms on a licensee basis. ●

Note: All conversions of value figures have been made at the nominal rate of one Rand=Can.$1.40.

96688-7—2½

A Look at Madagascar

Tananarive, capital of Madagascar, has a population of slightly over 201,000.

This island republic within the French Community achieved independence a year ago but retains close trade links with France and the EEC. Current opportunities for Canadian exports appear limited; market may improve as development proceeds.

L. J. TAYLOR, *Assistant Trade Commissioner, Johannesburg.*

OFF Southern Africa lies the ti largest island in the world—Ma gascar—1,000 miles long and u 350 miles wide. It rises steeply fr equatorial forests in the east t broad and temperate plateau in centre, which changes to arid se desert as it slopes down to the in the west. Hot heavy rains pre in the tropical coastal belt for m of the year; the plateau has a c dry winter, with rains in a sum which is warm but not unbearab

The Malgache are a mixture the African Bantu and Polynesi from Malaya and make up all 100,000 of the five million popu tion; 70,000 French and 30,0 Indians and Chinese are other major groups. Madagasc Republic Malgache, Malagasy R publika—to quote its three cl names—became an independ state within the French Commun in 1960. It is also an associa member of the European Econo Community and since gaining in pendence, its trade links with Fra and the other members of the Co mon Market have become ev closer.

Agriculture Holds First Place

Fertile soil is Madagascar's m important resource and 90 per c of the Malgache earn a living fr the four million acres of cultiva land. The majority grow only su sistence crops but the more progr sive farmers raise cash crops export. The more important of th are sugar (70,000 tons a yea coffee (50,000), peanuts (23,00 tobacco (4,500), cloves (4,00 pepper (1,000) and vanilla (50 Rice is the country's staple food a over 1,250,000 tons are grown; good crop years, some 40,000 to of high-quality long-grain rice exported. Manioc (about 850,0 tons a year) is the other major su sistence crop; from it the tapio

th Madagascar sends to Europe an the United States is obtained. Th western part of the island has about eight million head of cattle an during the Korean and Indo-Chinese wars the meat-canning in-dustry thrived. Now it languishes an Madagascar has too many beef cattle and, paradoxically, too few dairy cattle.

Minerals, Manufacturing

Graphite, mica and uranium account for the island's mineral production, all of which is exported. It has plenty of other minerals and rare earths but the quantities are small and scattered, with an ore con-tent often too low for economic exploitation.

Manufacturing in Madagascar is in its infancy. There are traditional industries such as sugar refineries, rum distilleries, and meat-canning factories but secondary industry is just beginning and less than one per cent of the Malgache work in fac-tories. There is a brewery, a cigarette factory, a mill weaving cot-ton broadcloth, a "Bata" shoe fac-tory, two or three soft drink plants, and a distilled water plant.

France Dominates Trade

Trade is the traditional preserve of the French, the Indians and the Chinese, who handle all the import-export activities. But "market mammies" are ubiquitous and once a week every village has its "zoma" or market day.

Madagascar belongs to the franc area and buys 70 per cent of its imports from France and a further per cent from countries within the Community. (See Table II.) France purchases 60 per cent of its exports. In 1960 the island ran a $36 million trade deficit with France, with exports covering only 60 per cent of imports. But with the rest of the franc zone it earned a $6 million trade surplus. With "outside" coun-tries, Madagascar's exports covered per cent of imports and conse-quently the island had a deficit of million. As Table I shows, about three quarters of Madagascar's

TABLE I

Principal Imports into the Republic Malgache, 1960

Product	Value ($'000)
Textiles	11,756
Metal products	11,624
Machinery and equipment	7,548
Clothing and apparel	7,532
Automobiles	5,640
Electrical apparatus	5,296
Beer, wine, and spirits	4,564
Petroleum products	4,472
Trucks	3,792
Paper and products	3,212
Dairy products	2,948
Pharmaceuticals	2,736
Tires and casings	2,588
Flour	2,184
Cement	2,104
Soap	1,436
Tobacco	1,108
Total, all imports	**110,156**

TABLE II

Principal Import Sources, Republic Malgache, 1960

Country	Value ($'000)
France	77,172
Other franc area	6,896
Other EEC countries	6,600
U.K. and sterling area	6,400
Iran	3,600
United States	3,180
Total, all countries	**110,156**

imports consist of consumer goods. Madagascar depends on a few agri-cultural products for its export earn-ings—and markets for these have been depressed for some years. Al-though the Malgache Government says it is not its policy to channel trade through bilateral quasi-barter agreements, it makes clear that countries that wish to export their goods to the island must be recep-tive to taking Malgache products in return.

Doing Business There

No licences are required and there is no quota limitation on goods shipped from France. For other countries, quotas are issued twice a year in the following manner. All the foreign earnings of Madagascar are deposited in Paris and the French Treasury grants twice a year the funds the island requires for non-franc-zone imports out of the franc-zone pool. When the sum is known, Madagascar sets up separate import quotas for the EEC, the Sino-Soviet Bloc and finally for the world at large—the global quota, which is also open to EEC countries in addition to their reserved quota. Countries with which France has signed bilateral trade agreements get preference, all other things being equal, in the allocations made from the global quota. Quotas are set out by product. After they have been published, importers apply by sup-plying the authorities with pro forma invoices for each of the prod-ucts they wish to import. Licences are allocated to those applicants whose products give the best value; this point is decided by the Import Commission. The procurement of a licence gives the importer the automatic right to the required foreign exchange. The goods must be shipped within six months after the licence is issued.

Madagascar has a rather low cus-toms tariff which has just come into operation and from which France and its Common Market partners are exempt. More important, it has a consumption or sales tax which is in fact a form of customs duty and applies to goods from all countries. The island is not a member of the GATT and is not proposing to join in the near future; as industry develops, it wishes to be free to raise customs duties accordingly. Mada-gascar also imposes export taxes on the chief agricultural exports and uses the receipts to stabilize the returns to the producer.

With Madagascar's small market, business firms there must be ver-satile, handle a wide range of goods, and fulfill a number of marketing functions—importing, wholesaling, and retailing. Most of the large firms have associate or parent companies in France and in many cases it is preferable for Canadian exporters to deal through these companies. There is no direct shipping line connecting Canada and Madagascar and goods must be transhipped at some inter-mediate point. When quoting, prices should be in French francs and c.i.f.

Madagascar as a Market

- Population 5 million: 4,900,000 Malgache, 70,000 French, 30,000 Indians and Chinese.
- Per capita income, about $90.00 per year.
- Export-import trade carried on exclusively by French, Indians and Chinese.
- Business firms handle wide range of goods; engage in importing, wholesaling and retailing.
- Large firms usually have associate or parent companies in France; possible to deal through these firms.
- Metric system in use; correspondence carried on in French.
- Quotations preferred in French francs, c.i.f. Tamatave, the island's chief port.
- Irrevocable letter of credit is usual payment terms requested.
- All goods except those from France subject to import quotas, set up twice a year.
- Import licences carry with them right to the foreign exchange needed.

Tamatave (the island's main port) in the form of a pro forma invoice. All correspondence should be sent airmail and in French. The metric system of weights and measures is used. Exporters should request irrevocable letters of credit as payment terms. Most business is done through French banks, although a few of the larger firms have confirming houses in New York.

Canadian Opportunities

Canada's sales to Madagascar totalled only a few thousand dollars in 1960. We should be able to sell more but our goods will have to be competitive in price because import licences are granted only to products that are a better buy than rival lines. Our best prospects probably include car accessories and parts (most cars on the island are French), used clothing, canned foodstuffs and fish, synthetic fabrics, tires, office machinery and fine paper and stationery. Interested exporters should supply the Trade Commissioner in Johannesburg with full details, literature and export prices. Another way is to work through any agency arrangement you may have in France. As mentioned earlier, the leading Malgache importers usually have close connections with French firms and it is often more profitable for foreign companies to explore the market in Madagascar through them. There is less chance for Canadians to sell capital goods to Madagascar because the bulk of these imports are financed by aid and long-term loans granted by France and the EEC and are invariably bought from the donor country. There may, however, be opportunities for the sale of roadmaking and maintenance equipment and trucks.

Every underdeveloped coun today has its own "operation bo strap" and Madagascar is no exc tion. With a per capita income $90, with the rate of internal savi less than 5 per cent, with half population under 15 years of and increasing by leaps and boun with each Malgache worker s porting three times as many dep dents as a Canadian breadwin and working in the fields only day in four to do it, Madagas certainly has difficult problems. with outside aid and direction Malgache are making steady p gress. Development efforts are co centrated on building and improv roads; constructing schools, h pitals and clinics, and teaching peasant the importance of mod hygiene and of modern agricultu techniques. Studies are being carri out to see if the base of Madag car's agriculture can be broaden The hope is to diversify exports producing cotton, bananas, pa oil, coconuts and copra. Madag car's cost structure is high, but o important way in which the M gache hope to bring down the pri of their key agricultural products by increasing yields. For examp the ordinary farmer gets 1,6 pounds of rice per acre, but ag cultural extension stations obta three times as much and this g will have to be closed if Madagasc is to prosper.

The Common Market aid grou (FEDOM) and the French (FAC supply most of the millions of do lars needed for development. Th French also have hundreds of tec nical assistance officers helping th Malgache to master the intricaci of western technology. There a many difficulties in the way— sparse population scattered about rugged countryside, high intern transportation costs, and little poten tial mineral wealth to be develope (nickel and chrome are the on two feasible projects at th moment). But in the long ru Madagascar hopes to prosper an it should provide a larger mark for Canada than it does today. ●

The Federation Faces Problems

Outflow of capital, pressure on reserves brought exchange control at the end of 1960; foreign trade shows some decline. But industrial progress continues, exchange reserves are again rising, and Canadian exporters should not neglect this large potential market.

LESTER S. GLASS, *Trade Commissioner, Salisbury.*

THE Federation of Rhodesia and Nyasaland is currently experiencing a partial economic downturn. The main reasons for this are the poor agricultural returns last year, following a prolonged drought, and the uncertain political situation. Constitutional advance in the three parts of the Federation—Southern Rhodesia, Northern Rhodesia, and Nyasaland—is continuing. In Southern Rhodesia particularly, early settlement of the difficult constitutional issues is expected and as this is the Federation's industrial region, business conditions may improve more rapidly there than in the other two areas.

Agricultural prospects have brightened in 1961; seasonal rains ranged from normal to above normal throughout the Federation and bumper crops are expected. Tobacco sales, now in progress, give promise of an all-time record. The important maize crops have already achieved a record and exports are moving freely. Previous crop failures, however, have put many of the farmers heavily in debt and it is doubtful whether even excellent returns from this year's crops will be large enough to enable them to write off these debts and still retain their normal purchasing power. This is important to the country because the farmers represent a fairly large proportion of over-all spending power.

Retail sales rose 6 per cent last year, but retailers are complaining of smaller sales this year. To keep inventories as low as possible they have been purchasing on a hand-to-mouth basis. Home furnishings and consumer durables, where competition at the best of times is severe, have been particularly affected. In Salisbury the number of stores featuring cut-price sales is considerably larger than in past years.

Industrial Building Continues

The building industry and its auxiliary trades have languished in the doldrums since the end of 1958, but this is probably more the aftermath of the hectic boom of the previous seven years than of present conditions. During that period, towns just out of the pioneer stage blossomed into modern cities, with skyscrapers, apartment blocks, and pleasant and spacious homes. Today there is a good deal of vacant space in office and apartment buildings.

The one bright spot in the building field is industrial construction, which is going ahead at a steady pace as new industries spring up and old ones expand. This continuing industrial development demonstrates the faith in the future of the Federation (or at least of Southern Rhodesia) shown by such enterprises as the Ford Motor Company, the Rootes Group, British Motor Company, Imperial Chemicals, Bata Shoe Company, Nestlé, and Lever Bros. Now Southern Rhodesia is to have its own oil refinery. The American Independent Oil Company and Shell have joined forces in the building of a refinery with a pipeline to the ocean port of Beira in Portuguese East Africa. The refinery will supply all the petroleum products needed in the Federation by the end of 1963 and it is expected that a petrochemical industry will also be developed to use the byproducts of the refinery.

Insolvencies, on the other hand, are again increasing; 54 were regis-

CANADIAN TRADE WITH RHODESIA AND NYASALAND

Exports	1959	1960	1961 (Jan.-Feb.)
Lumber	800,953	1,115,702	11,428
Newsprint	305,784	265,964	41,838
Wheat	20,986	358,580	
Malt	121,040	99,972	38,925
Mining machinery	108,712	273,535	15,139
Automobiles	283,479	367,859	91,849
Drugs and chemicals	186,676	21,720	6,655
Total, all exports	**2,850,714**	**4,087,591**	**583,667**

Imports	1959	1960	1961 (Jan.-Feb.)
Peanuts, green, shelled	161,243	395,883	26,418
Chrome ore	313,395	55,772	
Mineral substances	304,696	247,858	
Tobacco	124,895		
Alloy for steel manufacture	42,605	261,383	42,587
Total, all imports	**965,920**	**981,452**	**76,001**

tered in the first four months of this year compared with 35 during the same period of 1960. Fifty-three liquidations were reported as against 27 for the same period in 1960. The number of new companies registered and the amount of their capitalization have decreased.

Exchange Control Introduced

Last year the inflow of capital from private sources fell to £25 million from £42 million in 1959. By the end of the year it had slowed down to a negligible amount and there was a noticeable flight of capital from the Federation for investment abroad. To curb this, the Government introduced exchange control to last for not more than twelve months.

In his budget speech delivered on June 29, the Minister of Finance reported that exchange reserves were again rising to a desirable figure but he sounded a note of caution. In view of the situation in Africa, he said, he could not anticipate any significant inflow for some time to come and in the meantime, internal domestic savings would have to be used to maintain the external reserves and to finance capital expenditures on development. He strongly recommended that business firms finance themselves out of their own resources rather than seek to borrow money.

The Trade Picture

Both exports and imports are tending to decline at the present time, but because only the figures for January and February 1961 are available, no true forecast is possible. Imports for the two months stood at £24.3 million and exp at £25.3 million, leaving a sı favourable balance of trade. 1959, the Federation had a favc able balance of nearly £37 milli with imports totalling £150 mill and exports £187 million. 1960, exports rose to £206 r lion and imports to £157 milli to leave a favourable balance £49 million.)

The tables give details Canada's trade with the Federat in the last two years and during early part of this year.

Despite the present downt and the prevailing political unc tainties, Canadian exporters already selling in the Federat should proceed to establish conta in this market to take advantage present opportunities and of greater potential in the future. ●

COMMODITY NOTE

Almonds

SPAIN—Spain is expected to harvest an almond crop of 35,000 short tons this year, shelled basis, probably the largest on record. This compares with the 1960 crop of 30,000 short tons and a 1954-58 average of 21,100. Stocks are expected to reach 6,500 tons in September, compared with 8,000 in 1960—Madrid.

Electronic Guns

IRELAND—Griffith's Electronic Guns Limited of Ireland (taking its name from the associated U.S. company) has decided to erect a factory at Bray, County Wicklow, to produce magnetic and electrostatic electronic guns for television cathode-ray tubes. Its export markets are expected to include the United Kingdom, Europe, and British Commonwealth countries—Dublin.

Furniture

SWEDEN—One of Sweden's oldest furniture factories has inaugurated a new assembly and finishing workshop. Eight thousand square metres of a proposed 17,000-square-metre factory expansion costing Kr.11 million has been completed, marking the end of the first stage of a program to increase capacity by 50 per cent. The company's home furniture sales have increased five-fold since 1955. Fifteen per cent of annual production is exported; leading purchasers the United States, Germany, France and Britain Stockholm.

Grinding Balls

PERU—A newly formed Peruvian corporation produce cast-steel grinding balls in a factory it inte to build near Lima. Capacity will total 20,000 t a year. Principal shareholders in the company, cal Metalúrgica Peruana S.A., are Enrique Ferreyros a Cia., Cerro de Pasco Corporation, the Southern P Copper Corporation, and National Malleable and St Casting Co. Enrique Ferreyros and Cia. are la Peruvian traders with interests in several national dustries. Cerro de Pasco is Peru's largest producer lead and zinc and a subsidiary of U.S. Cerro Corpo tion. Southern Peru Copper is exploiting large cop deposits in southern Peru; it is primarily controlled American Smelting and Refining. National Mallea and Steel Casting Co. is a U.S. company which provide technical assistance to Metalúrgica Perua S.A.—Lima.

Industrial Machinery

BRAZIL—The Krupp interests of West Germa have established a large forge in the State of São Pa

which occupies an area of 900,000 square metres and employs some 16,000 workers. It is said to be Krupp's largest foreign investment and will be used to produce various types of heavy industrial machinery—São Paulo.

Machinery

WEST GERMANY—In 1960 the German engineering machinery industry achieved production valued at 23 billion marks, an increase of 16 per cent over the previous year after adjustment for price increases of somewhat more than 5 per cent. The industry's exports reached 9.1 billion marks compared with 7.9 billion in the previous year—a rise which corresponded with the increase in production. During the same period machinery imports increased by almost 40 per cent—from 1.5 to 2.1 billion marks—because large orders and consequent extended delivery dates in the German industry led some companies to purchase abroad—Hamburg.

Meat Processing

JAMAICA—In 1962, a $225,000 meat-processing plant will be turning out ready-to-serve hams, luncheon meats, sausages, bacon, frankfurters, and other processed meats. The 18,000-square-foot plant is being erected at Savanna-la-Mar on Jamaica's southwest coast and will employ up to 500 people when it is operating at full capacity—Kingston.

Paper Cartons

JAMAICA—Jamaican and U.S. investors have invested $600,000 to set up a firm in Kingston called West Indies Paper Products Ltd., that will make corrugated and solid-fibre cartons for local manufacturers. It is expected the firm will commence operations some time in October—Kingston.

Pecans

UNITED STATES—The 1960 pecan crop totalled 181 million pounds valued at over $56 million, according to the U.S. Department of Agriculture. Of this total, Mississippi produced an estimated 13 million pounds valued at nearly $4 million—New Orleans.

Pulp

SWEDEN—Two pulp mills in northern Sweden were purchased recently by Norrlands Skogsägares Cellulosa AB, an industrial company formed by the Association of Forest Owners of Norrland. The plants purchased are the Sandviken sulphate mill, belonging to AB Graningeverken and situated at Kramfors on the Angerman River, and the Hörnefors sulphite and fine-paper mill outside Umeå, belonging to the Mo och Domsjö forest industry group. Sandviken has an annual output of 40,000 tons of unbleached sulphate but capacity will gradually be expanded to 125,000 tons. Hörnefors produces 70,000 tons of bleached sulphite and some 20,000 tons of fine paper a year. Both Sandviken and Hörnefors have quay facilities for ocean-going vessels. A further processing plant may be purchased later on—Stockholm.

Shirts, Pyjamas

JAMAICA—Construction has been completed of a factory in Kingston to manufacture high-quality dress shirts and pyjamas for export to North America. The U.S.-backed firm, set up under Jamaica's Export Industry Encouragement Law, expects to send its first consignments to the United States and Canada within a few months—Kingston.

Steel

SWEDEN—Hofors Steelworks in central Sweden, owned by the SKF group, is to build a new open-hearth plant. Although two units are planned, the plant will at first house one only, an acid open-hearth furnace with a capacity of 80 to 100 tons per charge—making it Sweden's largest. Annual output, principally of ball-bearing steel, is estimated at 90,000 tons. The plant is scheduled for completion early in 1963 and will cost approximately $4.7 million. To process the increased crude steel output, rolling mill capacity will have to be raised from 200,000 tons a year to about 300,000—Stockholm.

Tuna

JAPAN—A Japanese fishing company has resumed direct shipment of frozen tuna from its fishing grounds in the South Pacific to San Francisco. Approximately 600 tons of albacore and yellow-fin tuna were reportedly landed late in April in San Francisco for processing by California canneries, and regular calls are planned for the future by the tuna carrier *Santo-Maru*.

The *Santo-Maru* is owned by Mitsui Bussan Kaisha, which operates a mixed capital British-Japanese fishery company on the island of Santo in the New Hebrides. The company, Taiheyo Suisan Kaisha, buys tuna from Japanese tuna clippers, processes it, and sells it in frozen form to canneries in North America, France and Japan—Tokyo.

Turpentine and Resin

BRITISH HONDURAS—Canadian, United States and British interests will by the end of this year set up a factory to make resinous products and terpenes from pine roots, stumps and tops. The factory is expected to extract up to 25 million pounds of resin and turpentine annually and to employ 300 people. The plant will represent an investment of about $3 million and will give the economy a much-needed boost—Kingston.

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Export Merchants Help Canadian Trade

Companies that are not selling abroad because they are unfamiliar with export procedures may find in the export merchant an answer to their problem.

O. MARY HILL,
Editor, Foreign Trade.

JOHN JONES has just discovered that he can sell abroad, even though he is completely inexperienced in export trade. His products are going to customers in Israel and in Iraq, but he has not had to solve any problems in shipping, documentation, letters of credit, or even in packing. He has found a way of obtaining prompt payment for his goods in dollars. He has not yet set up an export department in his company, though he intends to continue exporting.

How does John Jones do it? The answer is a simple one—he does his exporting through an export merchant. Six months ago, he called on one whom a business acquaintance recommended. He described the products that the firm wished to export, supplied catalogues, price lists, and descriptive literature, and answered pertinent questions. Several weeks later, the merchant reported that he could sell some of the Jones products, as a beginning, in the Middle East. John received instructions on how to pack the goods and when and where to deliver them for shipment from Canada. The merchant settled for the order in dollars and on the Jones side, the transaction was completed.

How Merchant Functions

The export merchant should not be confused with the export agent, who sells a company's products abroad and receives a commission based on sales. The merchant buys outright from the manufacturer and himself becomes the exporter. Through his connections abroad, he finds buyers for the goods. He negotiates the terms of settlement. He assumes the financial risks, such as credit performance and exchange fluctuations (though not, of course, the risk of non-performance on the part of the manufacturer). He handles the paperwork, takes out the insurance, and makes the shipping arrangements. His connection abroad obtains the import licence.

Historically, the export merchant has played an important role in the development of world trade. He fi
emerged in the Italian city-stat
such as Florence and Venice, in t
Middle Ages and later he flourish
in other countries. In Britain duri
the nineteenth century these m
chants carried on a good share
British export and import trac
particularly with the colonies;
number of the trading hous
founded then still survive.
Japan, nearly all exporting and ir
porting is done through tradi
houses and in Germany and t
Netherlands, they have a defin
place in the commercial communi

A number of the export m
chants in Canada are branches
British or United States compani
some are Europeans who ha
settled here after serving their a
prenticeship in countries with a lo
tradition of exporting. The majori
of them are concentrated in Mor
real, Toronto or Vancouver. Mo
of them engage in two-way trad
sometimes even for the same clien
Many act also as export agent
charging a commission on sales. A
in other countries, they tend
specialize either in commodities
in areas. One Montreal export me
chant handles only minerals, meta
and ferro-alloys, tar products, an
chemicals. Others concentrate
paper products, textiles, food pro
ucts, or automotive parts. In ge
eral, the merchants deal mainly
consumer products. As for area
some with exceptionally good co
tacts in the Far East sell there onl
others market goods in the We
Indies or Latin America exclusivel
Their services are particularly us
ful in what are known as "packag
markets"—those that buy in lin
ited quantities. The merchant ca
consolidate shipments from sever
manufacturers who might not othe
wise ship to these small customer
A few merchants carry out bart
transactions from time to time.

Who Uses Them?

To what types of exporter can th
export merchant be most usefu
There is no hard-and-fast rule, bu

The following often make use of their services:

- Firms like John Jones'—completely inexperienced in export.
- Small companies which either do not wish to set up an export department or would find the cost prohibitive, have not reached the stage of employing export agents, yet wish to channel part of their production into foreign markets.
- Newcomers to export trade, who want to sound out foreign demand for their goods before committing themselves to full-scale exporting.
- Firms already exporting which want to make use of an export merchant's contacts and experience in out-of-the-way or difficult markets, such as South Korea or Rumania. One merchant, for example, sells for a large Canadian asbestos company in certain areas where the credit risk is greater and where conditions call for special techniques.
- Companies which contract for buying services for imported raw materials and want the same services in selling their products overseas.
- Firms mainly concerned with the domestic market but anxious to export as a sideline.

Export merchants are, of course, experienced traders and can often find an outlet for an occasional production surplus at a profit. Generally speaking, however, they can serve clients best when they become outlets for their products on a continuing and exclusive basis.

Advantages They Offer

The export merchant can have an important influence on the expansion of foreign commerce. To many firms, especially those inexperienced in pricing for export, his services may mean the difference between doing some exporting and doing none at all. He can guide the manufacturer in the setting of an export price—one which need not include domestic sales expenses or advertising charges. He can prevent the novice from making costly mistakes, such as dispatching the bill of lading after the letter of credit has expired, or sending catalogues by seamail instead of airmail and losing a potential customer. After one or two disappointments as a result of these errors, some companies may back away from exporting entirely, feeling that the game isn't worth the candle.

Two phases of export trade can be handled expertly by the merchants—shipping problems and credit risks. He should not, however, be confused with the freight forwarder. The latter arranges transportation and looks after the documents that accompany a shipment. He does not, as a rule, assume responsibility for the issuing of letters of credit nor for the documents at the foreign end of an export sale. The export merchant can provide a multiple coverage of markets at a lower cost than the individual manufacturer could. He adds to his knowledge of shipping a thorough understanding of the procedure for obtaining import licences where they are still required, and of the proper packing for goods going, for example, to tropical destinations or to ports where lighters are used in unloading. The client follows instructions on packing the order, marking and labelling it. He does not have to spend time in selecting and training agents in foreign countries. With these matters off his mind, he can concentrate on his particular function, production.

With continuing success, a Canadian company tends to outgrow the need for the export merchant's services, as foreign orders become such an important part of its business that setting up its own export department makes sense. Its overseas business must be large enough to make the expense of looking after its own exporting worthwhile; export departments call for some high-priced talent, particularly an experienced traffic man. The export merchant accepts philosophically the fact that he may do such a good job for the client that the latter can eventually stand on his own feet. Even then, the company may retain the merchant's services for covering out-of-the-way or difficult markets.

May Take Time

No exporter should expect to walk into an export merchant's office and walk out with an order in his pocket. Exporting by this method takes time and, in addition, the merchant wants to investigate markets before taking on a new line. Almost invariably, he first does some market research through his network of contacts in many countries. Through them he establishes whether and where he can sell the product offered to him at a competitive price. If prospects appear promising, he buys the goods. This may be six months to a year later, although one Toronto export merchant found a market for floor coverings two weeks after talking to the manufacturer. One of the export merchant's assets in selling abroad is the fact that he may have the resources to finance the buyer for a time and to meet the demand for extended credit terms. He also looks after the filing of claims, when this is necessary.

Sometimes the merchant discovers that a product must be adapted in some way, such as packaged differently, if it is to sell in a certain country. It is then part of his service to discuss these adaptations with his client and to help him carry them out. If the problem is too high prices, he may be able to suggest how production costs can be kept down. Because export merchants must keep abreast of changes in foreign markets if they are to survive, most of them do a great deal of travelling and their advice to their clients is based on personal experience. One successful Montreal merchant has visited eleven countries in the past year,

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including Britain, the U.S.S.R., Thailand, and Hong Kong. Part of the merchant's service may be the maintaining of stocks abroad so that the foreign buyer gets faster service and quicker delivery.

How Profits Made

How does the export merchant make a profit, since he does not charge the supplier a fee but merely pays him for his goods? Normally, his profit depends upon his expert knowledge of the process of exporting and of the markets to which he is selling. He can keep the cost of exporting down by placing insurance to advantage, by shipping the goods in the least expensive way, both within Canada and outside, and by helping the client to work out a realistic price for foreign selling. Sometimes he is able to consolidate several shipments and take advantage of lower carload freight rates. He is usually familiar with the movement of large quantities of goods, can make the best use of available shipping space, and can choose the most economical routes. He may even engage in ship chartering, particularly if he carries on both exporting and importing. Few exporters can match him in this type of expertise.

When it comes to finding customers for the product at a price higher than he paid for the goods, the export merchant's strength is his connections abroad. Usually he deals with foreign firms much like his own and receives a constant flow of commercial intelligence of a high order. This means that through an export organization he can direct, he can act quickly and sell something at a time and in a place where he will receive the highest return. If the problem is import licences, his contacts can usually get them without too much delay. A third advantage was mentioned earlier—some merchants are prepared to buy from as well as sell to a foreign firm, though most of them do not engage in barter trade because it is complicated and calls for special skill.

Diversification is also one of the export merchant's strengths. Because he can average out his costs over a wide range of products, he is insulated to some degree against a fall in demand or in prices for certain commodities.

Any Disadvantages?

Are there any disadvantages to exporting in this way? The most obvious one is that the producer, in return for shifting most of his exporting worries onto someone else's shoulders, usually has to accept a lower net return on the sale. Exporting is, however, often done at a discount even when no merchant is used. (The producer may also console himself by finding out from some of his colleagues how much it costs to run an efficient export department.) A second disadvantage is that he is not in direct contact with his customers, but is doing his exporting at arm's length; the foreign buyer too may prefer to be in direct touch with his supplier. In addition, the exporter may feel that he is not getting results as fast as he would like, especially if it takes the merchant some time to establish the export potential of his products, or he may be nagged by doubt about whether the merchant is really promoting the product as aggressively as he might. At this point, he will probably want to strike out for himself.

For the Small Man

The export merchant has a valued place in the promotion of our international trade. Stepping up Canadian exports is not a job just for the big companies with their own exporting organizations. It's a job for the little man too—for the thousands of small or medium-sized companies which can offer part of their production for export and thus spread their production costs over a larger volume. It is these companies, hesitant about venturing alone into foreign markets, to whom the export merchant can be most useful. ●

Snowy Calls for Tenders

NEW tenders, which close in Octob 1961, have been called by the Snow Mountains Hydro-Electric Authorit Cooma, New South Wales, for th construction of additional project These are an integral part of th long-term development of the hydro electric resources of the Snow Mountains.

One contract is for the Geehi Se tion of the Snowy Geehi Dam ar the other contract is for the Murr 1 pressure tunnel. In addition, th Authority will shortly invite tende for the design, fabrication and ere tion of the Murray 1 pressure pip line.

The Snowy-Geehi tunnel will b approximately nine miles long c completion. Tenders have previous been called for an approximate 3 mile excavation from the Snow River end. The Geehi section about 5½ miles will complete th tunnel, which passes completely un der the main dividing range and wi enable the Snowy River at Islan Bend to be diverted to the pondag formed by Geehi Dam on the wester side of the range.

Including the 15-mile Eucumben Snowy tunnel (for which tende were also called recently) the com plete program involves the excavatio over the next five years of 31 mil of continuous tunnel.

The Geehi Dam is a rock-fi structure 300 feet high. The Dam wi form a balancing pondage for th Geehi and the diverted Snowy wat and from this pondage the Murray pressure tunnel, which is seven mil long, will convey the water to th top of the surface pressure pipelir leading to Murray 1 power station.

Offers from Canadian firms will b considered. Inquiries should be d rected to the Business Manage Snowy Mountains Hydro-Electr Authority, P.O. Box 332, Coom North, N.S.W., Australia.

Specifications will be made avai able upon payment by bank dra of A£10/-/- per contract, mad out in favour of the Snowy Mour tains Hydro-Electric Authority. Pro pective tenderers should request th their specifications come forward b second class airmail, and be prepare to reimburse the SMHEA for th charges incurred.

A good deal of general informatio on the Snowy Mountains project an on participation in it was given i an article "Australia Pushes Snow Scheme" in the August 2, 1958, issu of *Foreign Trade*.

—S. V. ALLEN,
Commercial Counsellor, Sydne

Michigan's Market for Christmas Trees

Canadian Christmas trees face increased competition in the Midwestern States from trees grown in Michigan. If we are to retain these markets in the next few years, trees offered must be of the highest quality and competitively priced.

R. V. N. GORDON, *Consul and Trade Commissioner, Detroit.*

CHRISTMAS trees grown in Michigan are making heavy inroads into a traditional Yuletide market for Canadian balsam, spruce, and Scotch pine trees in the Midwestern States. In 1960, out of an estimated $7 million spent in Michigan for Christmas trees, $6 million went for some 1,650,000 trees grown within the state. In addition, more than 200,000 trees valued at close to $1 million were exported; most of them went to neighbouring Illinois, Indiana, and Wisconsin, and several thousand were shipped to Canada.

About 50 per cent of Michigan's tree production is wild stock, consisting of balsam fir, black spruce, and white spruce. The remainder is plantation grown; three of every four of these trees are Scotch pine and the remainder red pine and Norway spruce. Michigan leads all other states in plantation production and is second only to Montana in over-all Christmas tree cuttings each year. Many of the plantation trees are being grown on land on which virgin timber stood in Michigan's earlier days as an important lumber producer.

Demand Is Growing

A study made in 1957 by the Department of Forestry, Michigan State University, estimated that 4 million home-grown trees might be sold in 1962. This would more than supply Michigan's needs, leaving a large number for the export market.

It appears, however, that this figure is too high because sales of trees in 1960 totalled only 2 million, in comparison with almost 3 million in the projection.

The demand for Christmas trees in Michigan is following a fairly steady pattern of growth in relation to the growth in the number of families. This growth has been affected more recently, however, by the increasing use of artificial trees.

In earlier years imports of trees into Michigan came from New England, Pennsylvania, Montana and Idaho, as well as Canada, but today most imported trees come from Canada. Shipments arriving by truck originate in Ontario or sometimes Quebec; rail shipments come principally from New Brunswick and Nova Scotia.

A potential Michigan buyer at Detroit's Eastern Market inspects Canadian balsam and fir trees, which are always bundled before they are shipped south.

Marketing Methods

There are numerous methods of marketing evergreens in Michigan. A well-defined distribution pattern of producer, shipper, commission agent, wholesaler, and retailer exists, although one person often performs a number of these functions. Some farmers from nearby Canadian points truck trees to Detroit and sell them at retail in open lots; most of the trees, however, pass through one of Detroit's two big wholesale markets—the Detroit Union Produce Terminal, where rail shipments are sold, and the Eastern Market, which handles truck shipments.

Douglas fir commands the highest prices in Michigan; it is plantation grown and sold in limited quantities only. A few trees of this species are also imported from the West Coast. Next in order, moving

down the price scale, come Scotch pine, white spruce, balsam fir, red pine and black spruce. Painted trees are also popular; this treatment adds about fifty cents per foot to the retail price of the tree. The trees are sprayed or dipped, using bright colours of all kinds, plus silver and white.

Keep Up Quality

In 1960 Canadian exports of evergreens to the United States totalled 10.7 million trees, valued at $6.4 million. In that year, it is estimated, some 40 to 44 million Christmas trees were sold in the United States. In the future, to maintain our market and compete successfully with Michigan trees in the Midwestern States, it will be necessary for Canadian exporters to be quality conscious as well as competitive in price. Buyers are becoming more particular about trees as larger quantities of desirable ones come on the market. Plantation-grown trees from Canada do compete favourably with Michigan trees and most wholesalers prefer them. However, many of the wild trees from Canada are of poor quality and provoke complain among the trade. Mediocre tre will find less and less demand time progresses and Canadian e porters would be well advised t keep up the quality of their shi ments.

Information about the market fo Christmas trees in Michigan an Ohio, and the names and address of importers, can be obtained fro the Canadian Consul and Tra Commissioner at Detroit or throug the Commodities Branch of the D partment of Trade and Commer in Ottawa. ●

Iran Adopts New Import Policy

Serious financial problems have forced further curtailing of imports, strict exchange controls; will affect Canadian sales. More foreign aid, plus measures adopted, should improve situation by next year.

A. B. BRODIE, *Commercial Counsellor, Tehran.*

THE Iranian economy is in no worse and, if anything, a somewhat better position than on March 20, 1961—the close of the Iranian calendar year 1339. To overcome its financial difficulties, new regulations were introduced at the end of May by the country's new Prime Minister, Dr. Ali Amini. These may help to achieve the desired results over the next twelve months.

The immediate economic issues that faced Dr. Amini when he took over as Prime Minister on May 5, 1961, were:

- Insufficient funds to cover the Government's development program and current expenditures.
- Foreign exchange reserves at a desperately low level and insufficient to cover the flow of imports and the development projects.
- Further deterioration in the activities of the bazaar and an increase in protested drafts and bankruptcies.
- A deficit budget.
- A proposed stabilization program that had not come up to expectations.

Partial Cure

Towards the end of May, some important Central Bank of Iran currency regulations were introduced in an effort to get at the root of the trouble. Briefly, these measures included:

I *Issuing of Guarantees*

1. The issuing of letters of guarantee in foreign currency or in rials against counter guarantees issued by foreign banks was forbidden.

2. The granting of rial faciliti against counter guarantees issue by foreign banks was also pro hibited.

II *Documentary Bills Held b Banks*

1. Bills which matured befor March 20, 1961, and which hav been protested for non-payment b the remitters, must now be settle not later than August 22, 196 After this date, no remittance wi be made and the bills should b returned to the remitters.

2. Bills which matured befor March 20, 1961, and did not in clude any protest instructions ar not eligible for settlement an should be returned to the remitter

3. Bills which matured on Ma 28, 1961, and are not paid may b extended for three months from th date of their maturity *once only* i requested by the remitters, if th date of their maturity is in th Iranian year 1340 (March 2 1961, to March 20, 1962). (Th foregoing three regulations do no apply when the bills refer to item

rom a specified list of 13 essential ommodities.)

II Prohibiting the Import of Luxury and Semi-Luxury Items

Some 210 additional commodities f a luxury and semi-luxury nature vere added to the prohibited list f products that the Iranian Govern- nent announced March 21, 1961. ncluded were passenger cars, efrigerators, washing machines, extiles (excluding industrial tex- iles), central heating equipment, erosene heaters, tanned and un- anned skins, alcoholic beverages, anned fruits and vegetables, and host of other products.

V Sales of Foreign Currency to Travellers

The granting of foreign exchange or pleasure travel abroad was rohibited.

/ Foreign Exchange Earned Abroad

Foreign currency earned abroad y way of commission or services r by other means (except by xports) can be used to buy only hose commodities for which the anks are authorized to sell foreign xchange.

)ther Remedies

Other immediate remedies that ave enabled the Iranian Govern- nent's agency, the Second Seven Year Plan Organization, to meet its ack salary commitments of about 48 million for development pro- ects have included United States oans and grants, as well as two hort-term loans—$10 million from he Bank of America and $14 mil- on from the International Oil Consortium. In all, Iran has eceived during the current year (as f July 20, 1961) over $120 mil- ion in outside financial assistance including a World Bank highway oan). With the possibility of addi- ional help from a Western Euro- ean country, there is some optim- sm about the Plan Organization's ompleting its program on schedule—by September 1962. In addition to this outside economic support, oil royalties continue to flow into the country at the rate of about $70 million a quarter and will continue to be the most important factor in Iran's economy.

Effect on Canadian Trade

Canada's trade opportunities in Iran cannot now be considered as promising as reported in *Foreign Trade* of February 25, 1961. Quite apart from losing an outlet in Iran for certain luxury and semi-luxury goods, a falling off in the sale of Canadian raw and semi-manufactured products to Iran's growing industries can be expected. The shortage of working capital, coupled with the curtailing of bank credits, has had a tendency to restrict production and the expansion of industrial plants across the country. This situation is considered temporary and a general improvement in business conditions is expected just as soon as the new government regulations have had sufficient time to achieve their objectives.

The Outlook

The current stabilization scheme introduced on September 5, 1960, has fallen short of bringing about the desired recovery in Iran's economy. A revised program is therefore being studied. No details of this plan were available on July 20 but it is believed that it will call for further reductions in government spending which may result in a balanced budget. The granting of credit expansion for industrial and agricultural purposes will probably be considered under the new scheme. No new foreign exchange measures tightening or relaxing the present import regulations are envisaged until March 20, 1962 (the end of the Iranian year 1340). At that time, certain luxury and semi-luxury goods may be withdrawn from the prohibited import list. At best, however, no tax reductions are expected in Iran until the foreign exchange position has shown a definite improvement. ●

Geothermal Energy Exploited

THE never-ending search for new sources of power in countries without coal and hydroelectric power sources has literally unearthed a new form of power—geothermal energy. Its potential is now recognized and developments will be discussed at a UN Conference on New Sources of Energy to be held in Rome, August 21-31.

For centuries the results of geothermic activity have been visible. Geysers spouting in scalding fountains, mud pools spluttering like gigantic porridge pots, and vapours hissing out of clefts of rocks are common sights. Now these spectacular sights, which have awed our ancestors, are providing useful power.

New Zealand has been one of the pioneers in this field. In November 1958 the Wairakei power plant began supplying an eighth of the total power of the North Island from geothermal springs. The New Zealand Government, with faith confirmed by experience, has authorized an installation of 192,000 kilowatts. The cost of production, with capital outlay, is half a cent per kilowatt hour.

In Iceland geothermal power has been harnessed and is providing heat for 46,000 homes. The greenhouses necessary for food production there are heated with geothermal power and plans for a 15,000 kilowatt generating station have been drawn up.

For years, geothermal power has provided two-thirds of the electricity required to run the entire Italian rail system. The cost per kilowatt hour is about half that forecast by the most optimistic atomic power engineers.

Obvious sources of geothermal power exist in such widely separated places as Kamchatka, Japan, Hawaii, the Philippines, South Pacific Islands, Mexico, El Salvador, Chile, Congo, Tanganyika, Kenya, Ethiopia and North America. In some underdeveloped countries, which cannot afford the construction necessary for hydro power, geothermal power seems the obvious answer.

New instruments are being developed to help locate geothermal sources. Companies active in nuclear instrumentation will no doubt discover the potential of this new sphere.

One of the lively possibilities of the UN discussions in Rome is that many countries will, as a result, start searching for what, in terms of electricity generation, is a new source of energy. Manufacturers of electrical and other equipment needed in developing this power will be watching for sales opportunities.

Protesting Bills of

QUESTION	ARGENTINA	BOLIVIA	BRAZIL	C
1. Are bills of exchange common?	Yes	Yes	Yes	Yes, but onl on term ba
2. What are the usual terms?	All periods, from sight to 30, up to 180 days. Occasionally, up to 4 years.	Sight to 180 days. 60 to 120 days are the most common.	Sight to 120 days, or whatever is agreed upon.	90 to 180 certain ca exchange d periods up
3. What is the procedure when documents are attached?	Documents are delivered only after payment of bill (sight) or acceptance of draft (time).	After payment, unless the drawer instructs otherwise.	Provided importer has complied with exchange regulations and obtained an exchange cover certificate, documents are released against a provisional deposit in cruzeiros by the importer, if bills of exchange are accompanied by the shipping documents.	Delivery of ments agair draft.
4. Is it usual to protest bills in the event of non-payment or non-acceptance?	Yes, for non-payment; occasionally for non-acceptance, though this does not benefit the holder in initiating legal proceedings.	It is customary to protest bills both for non-payment and non-acceptance.	Risk of non-payment because of exchange restrictions is small because an exchange cover certificate for imports in the general category and an import licence for imports in the special category carry with them a promise that foreign exchange will be made available.	Usual to p payment af Not usual non-accepta test must be ing day afte rity.
5. What is the benefit to be derived from a protest?	Establishes the right of the drawer, holder or last endorser to take legal action.	The advantage of a protested draft is that it can be collected in a special suit called "Juicio Ejecutivo" that is more rapid than the ordinary suit.	Establishes right to take legal action.	Establishes legal action value of the against thir as drawers, guarantors.
6. What psychological benefit is derived from protesting?	Depends on reputation of debtor.	Effect is slight but because of the advantage mentioned in reply to Question 5, bills should be protested.	Lists of protests are circulated to all banks daily. Bank credit references would include information that a firm is on this list and hence impair its reputation.	Chilean Ch merce publis letins conta tests. Being list means a
7. What is the cost of protesting?	Bills up to $60 cost $1.25 and over $60, 2 per cent, plus legal expenses in all cases, which vary from 60 cents to $6.00.	About $2.00.	40 cents to $1.20, depending on value of protested bill of exchange, plus cost of translating the bill, which may vary from 50 cents to $2.50.	One-tenth of the value of change.
8. How is the protest carried out?	Bills are turned over to solicitor who requests payment from the drawee. If payment is refused, he initiates legal action.	Through a notary public.	Through a notary public.	Through a n

*A written order for a certain sum of money, to be transferred on a certain date from the person who owes the money or agrees to

e* in Latin America

COLOMBIA	ECUADOR	MEXICO	NETHERLANDS ANTILLES	PERU
	Yes	Yes	Yes	Yes
1 days, depend- arius factors.	Sight up to 120 days; the latter is common.	Sight up to 180 days.	Sight up to 180 days; most are 30 or 60 days.	Sight to 180 days; 90 days is most common.
ry of documents pment of sight acptance of draft awn on term	Documents are released against acceptance of draft or against payment.	Delivery of documents against payment of sight bills or acceptance of term drafts.	Delivery of documents against payment of sight bills or acceptance of drafts for bills drawn on term basis.	Commercial banks release documents as per instructions from either the drawers or their bankers abroad.
ly bills are endorsed sof need to pro- , gal action must thin four years. dorsed, protest itiated within ja. Custom often h period as fifteen gre.	Yes, bills may be protested for both non-acceptance and non-payment. Protest must be ordered within three years from due date of bill.	Yes, but only upon receipt of specific instructions from legal holder. Action against drawee may be exercised within three years after maturity and does not require protest of bill.	Not customary, but recommended in doubtful cases. If bill is not marked with special annotation "without cost" or "waive protest", term bills must be presented on maturity date and if not paid, protested on either next or second following working day. Sight drafts must be presented within twelve months of issue and if not paid, protested as above.	Yes, if not accepted or settled within eight days after due date. If eighth day is a holiday, protest is initiated on ninth. Legal action must be taken within six months of protesting.
endorsed as per to Question 4, the establishes the right to take legal	Establishes right to take legal action. Exchange control obliges importers to meet obligations promptly if they wish to continue importing.	Establishes right to take legal action within six months after maturity against any or all previous endorsers, or against the drawer.	Facilitates and simplifies legal action.	Establishes right to take legal action.
long resentment or. It is for this th most bills are d p as to protect le l action without the formal protest.	Law of protest exerts moral pressure.	The existence of this regulation tends to exercise pressure on drawee to pay at maturity. However, protest of bill on A-1 customer could possibly mean loss of customer.	The drawee may decide to pay but, on the other hand, may be annoyed because bill presented for acceptance on payment bears protest clause suggesting that he may be a bad debtor.	Although Lima Chamber of Commerce publishes bimonthly a list of protested drafts, this action does not have the same effect as it once did.
4	Varies with the value of the bill, usually 1 per cent of value, plus legal fees, bill stamps, etc.	83 cents to $6.23.	From $6.00 to $26.00.	About $1.00 in Lima, $2.00 outside Lima.
a notary public.	Through a lawyer.	Through a lawyer, or more commonly, through a specialized broker.	Official protest must be made through a notary or bailiff who prepares documents which are served on the drawee.	Through a notary public.

...) to the creditor to whom the money is owed (Drawer).

Advertising Abroad

In Nigeria, sales promotion vans, complete with film-projection equipment and public address systems, represent the best method of advertising consumer goods to a wide public.

C. T. CHARLAND, *Acting Commercial Secretary, Lagos.*

NIGERIA'S developing economy and growing demand for consumer goods have sparked a tremendous interest in advertising and a steady increase in the media available. The growth in advertising has been stimulated by three main factors: a rapid spread of literacy, a steadily rising standard of living, and a sharp swing from the postwar seller's to a buyer's market.

The purchasing power of Nigerian consumers is greater now than at any previous time and their innate propensity to buy has made them increasingly brand conscious. Only through advertising can they be weaned from their preference for familiar brands—and competitors from all over the world now make advertising an essential part of their sales effort.

Canadian exporters who wish to enter and gain a share of the Nigerian market must advertise and they should not underestimate the subtleties of West African marketing. They will need an entirely fresh and dynamic approach, based on the customs, culture and distinctive trading pattern of Nigeria. T country is not only large but almost bewildering variety, with mixture of tribes, religions, la guages and living standards. T extreme diversity, plus strong pa chialism and a shortage of regio media, presents a challenging pro lem but a suitable compromise usually found.

Biggest newspapers in Lagos are the English Daily Times *and* Sunday Times, *published from the office building in the centre foreground. Newspapers carry the bulk of Nigerian advertising, though numbers and circulations are small.*

Newspapers Leading Medium

Newspaper advertisements a count for the bulk of the prese advertising effort, both in volu and value. Yet the number a circulation of newspapers contin to be small for a country of over million people, belonging to so 250 tribal groups and spread ov an area four times the size of Br tain. However, there are now tw newspapers, one daily and o weekly, which have passed t 100,000 circulation mark and should be borne in mind th readership is fairly high. Experts b lieve that, on an average, five six people read each copy of newspaper. Improved transportatio facilities have also contributed to more widespread distribution a to the effectiveness and range coverage.

The principal daily papers a published in English but some the weeklies appear in Yorub Hausa and other vernacular la guages. Basic advertisement rat vary from 20s. to 50s. per sing column inch and copy is usual accepted two days before public tion. Newspapers will continue be used extensively in securing wi coverage and the choice both of t newspaper and the material to b inserted demands care. Few of th leading newspapers have certifie

ɛt sales and the figures given in the ccompanying table are largely estiates.

lagazines

Nigeria has only a few trade urnals and specialized magazines. he Federal Department of Information publishes the *Nigeria Trade ournal* quarterly and the Lagos hamber of Commerce publishes *ommerce in Nigeria* once a year. Vhen available, they are read by most everyone interested in omestic and foreign trade. The uality of its readership and the fluential background of its repients particularly recommend the *igeria Trade Journal* to the selecve and far-sighted advertiser.

There are an increasing number f other magazines and they provide n excellent medium for consumer oods in all ranges and for products be introduced to the small trader. hree of them—*West Africa, African Trade and Development* and *Vest African Review*—which are ublished in the U.K. and intended or West African consumption, also rculate in Nigeria and can be used.

loardings and Posters

Modest incomes and the amount f illiteracy make poster advertising valuable and particularly effective hedium. The use of poster hoardigs is growing but is somewhat estricted by town and country lanning regulations. Good pictorial npact is possible with well-degned material. Both the Nigerian ailways and the Lagos Municipal ransport offer space in passenger oaches and on stations. Annual ates for public transport advertising ange from £6 per space of 12″ 30″ for bus interiors to £12 per pace of 15″ x 12″ for bus exteriors nd £25 per space of 20″ x 30″ or shelters.

inema, Television and Radio

The scope for this form of adversing is limited at present by the emarkably small number of cineлas in the country—only about 65.

LEADING NIGERIAN NEWSPAPERS

Name	Place of Publication	Approximate Circulation
Daily Times	Lagos	114,600*
Sunday Times (weekly)	Lagos	147,300*
Daily Express	Lagos	40,000
Sunday Express (weekly)	Lagos	47,000
Nigerian Tribune	Ibadan	10,000
West African Pilot	Lagos	52,000
Irohin Yoruba (weekly)	Lagos	54,000
Nigerian Citizen (twice weekly)	Zaria	31,000
Nigerian Trade Journal (quarterly)	Lagos	5,600

*Audited.

However, filmlets are used and are considered an excellent medium, provided they meet local presentation requirements. Slides are not considered very effective. For cinema advertising, Nigeria is divided into four national circuits based on the number of cinemas covered. Circuit No. 3 provides the most extensive network; it has 35 cinemas compared with 13 for circuit No. 1 and 8 for circuit No. 4, which is called the European circuit. Rates vary from £42 for a one-week booking on Circuit No. 1 to £525 for a five-week booking on circuit No. 3.

Commercial radio began in March 1960, although non-commercial broadcasting was established earlier. Commercial television covering Lagos and much of the Western Region began in October 1959. Plans have also been completed for further television and sound radio services at Benin and Enugu in the Eastern Region. The commercial radio services are those offered by WNBS (Western Nigerian Broadcasting Service) from Ibadan and NBC (Nigerian Broadcasting Corporation) from Lagos. The NBC also operates transmitting stations at Ibadan, Kaduna, Enugu and smaller studio centres dispersed throughout the country, from Calabar to Abeokuta and Sokoto to Maiduguri. Programs are broadcast in English and twenty indigenous languages. Television rates range from complete program sponsorship to seven-second spots. Time can be rented for single programs from £12 per five minutes to £48 for one hour; run-of-schedule spots cost £3.10.- for seven seconds, rising to £12. for one minute; in both cases rates are lower for longer bookings. Rates for sound are on a class "A" and class "B" basis (the latter are rated at 60 per cent of the former) with both sponsorship and spots or station breaks available. Class "A" time can be booked from £3 for 15 seconds to £5 for 45 seconds. For sponsored programs, rates vary from £6.10.-. for five minutes to £20 for thirty minutes and £32.10.- for one hour.

Sales Promotion Vans

This is a special technique evolved to meet the peculiarities of the Nigerian market and it represents the publicity medium for consumer goods best able to reach the widest cross-section of the public with the greatest impact. The technique is for self-contained publicity units to operate from light vehicles using public address systems, mobile cinemas, leaflets and other gimmicks. It is best suited for strong selling lines and should be coordinated with retail outlets and the use of other media.

Other Media

Direct mail advertising is limited in use in Nigeria because of the scarcity of technical media but can

be effective where consumers form a clearly defined group.

The use of display techniques is restricted to a few department stores in the main marketing centres. Most retail outlets are reluctant to employ it because they lack space.

Advertising by hand-outs, give-aways and novelties is fairly well established in Nigeria but can prove expensive, as most articles would be dutiable. To be effective, the article chosen must be suited to the recipient.

Advertising Agencies

There are several advertising agencies in Nigeria and most are equipped to provide complete service, from market research and media selection to the actual preparation of acceptable copy.

Prospective advertisers sho seek advice and assistance fr well-established organizations a from experts with a special kno edge of the needs of the Niger market. The office of the Comm cial Counsellor for Canada in La will be pleased to recommend sponsible firms and to provide formation on trading conditions Nigeria. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

Bolivia

NEW CUSTOMS TARIFF—Mr. W. R. Jenkins, Acting Commercial Secretary in Peru who is also responsible for Bolivia, has reported that the new Bolivian Customs Tariff went into effect on June 1, 1961. The new tariff is principally a reclassification of merchandise in accordance with the Brussels nomenclature of 1955 rather than a change in import rates. The Bolivian Government states that the rate structure is designed to maintain the policy of protection for national industries. The changes in nomenclature will be helpful in reducing incorrect declarations and avoiding errors in appraisals of imports into Bolivia.

Bolivia is not a member of the Latin American Free Trade Association but by revising her tariff in the above ways, she is following the practice of the countries in that organization. This will make it easier for Bolivia to join LAFTA.

A copy of the new tariff is available in the Latin American Division of the Department.

Ghana

NEW TARIFFS AND PURCHASE TAX—Widespread increases in import duties and the imposition of a purchase tax were announced in the Budget Speech of July 7, 1961. These changes, together with increases in export duties, excise taxes, and income taxes, are designed to provide important additional revenues. Imports from all countries will be subject to the same increases because the Ghanaian tariff extends equal treatment to all suppliers.

The changes of greatest significance to Canadi exporters are as follows:

Goods now dutiable at a higher rate

	From	To
Beer and ale—per gallon	6s. 0d.	13s. 6d.
Boots and shoes—per pair	9d.	1s. 3d.
Cotton and synthetic piecegoods	25%	40-50%
Paints and varnishes	10%	20%
Cosmetics	66⅔%	100%
Frozen fish	10%	4d. per
Canned and salted fish—per lb.	exempt	2d.
Wheat flour—per lb.	exempt	2d.
Dried fruit—per lb.	exempt	1s. 0d.
Meat, of all kinds—per lb.	exempt	3d.
Vegetables, in all forms—per lb.	exempt	6d.
Potatoes, fresh—per 100 lbs.	3s. 6d.	4s. 0d.
Soap in bars—per 100 lbs.	5s. 4d.	11s. 0d.
Whisky—per gallon	£5 7s. 6d.	£11 7s. 6d.
Tobacco—unmanufactured—per lb.	9s. 3d.	11s. 3d.
Cigarettes—per lb.	£1 17s. 6d.	£ 2 16s. 6d.
All goods not particularly enumerated in the Ghana customs tariff nor particularly exempted from duty	25%	30%

Other goods no longer exempt from duty (and presumably dutiab at 30 per cent)

Building boards
Lamps and lanterns—non-electric
Tire-retreading equipment
Outer packages
Bags and sacks
Boats and marine equipment

Goods now subject to purchase tax

	Rate
Bicycles and tricycles	15 %
Furniture of all kinds	66⅔%

Sewing machines	33⅓%
Typewriters	33⅓%
Radios and record players	33⅓%
Refrigerators and air conditioners	66⅔%
Tires and tubes	33⅓%
Musical instruments and records	66⅔%
Domestic stoves	33⅓%
Washing machines	66⅔%
Vacuum cleaners	66⅔%
Floor polishers	66⅔%
Small appliances	33⅓%
Floor coverings	66⅔%
Watches and clocks	66⅔%
Apparel—outerwear, trousers, dresses, skirts, blouses, swim suits	33⅓%
Motor vehicles exceeding 2,500 c.c.	66⅔%

Further details are available from the International rade Relations Branch, Department of Trade and ommerce, Ottawa.

outh Africa

MPORT CONTROLS TIGHTENED—South African nport regulations for 1961, issued in December 1960, ere cancelled on May 12, 1961, and a new set of gulations gazetted, effective May 5. The changes are result of South Africa's uncertain foreign exchange serves position and have the effect of increasing adhinistrative control over imports, cutting back on nports of less essential consumer goods, and encourging greater use of domestically produced goods. The hanges are as follows:

. The following textile items that formerly could be nported without an import permit now require one. mports will probably be limited initially to 60 and 5 per cent of average imports for 1959 and 1960 for herchants and manufacturers respectively.

Vaterproof interlining and rubberized piecegoods
racing cloth
lastic fabrics not woven or knitted
Voven or knitted piecegoods, including elastic fabrics and emroidered piecegoods
ute piecegoods

. A new "restricted" list, containing a number of less ssential or locally available classes of consumer and ndustrial goods, has been set up. Specific permits will low be required for the import of these items.

(a) For the following, existing permits valid for the import of eneral merchandise may be converted into specific permits at the alue ratio of two of the former to one of the latter for first-round ermits, and three of the former to one of the latter for secondound permits.

oodstuffs (excluding tea and coffee)
Liquors and beverages
obacco and manufactures
Vearing apparel
ablecloths, napery, bedspreads, towels, blankets and blanketing
Radios, lawnmowers, stoves, refrigerators, washing machines, irons, eaters, reading lamps, floor polishers, toasters, electric lamp-bulbs
Buckets, domestic holloware, metal and other enamelware, carpets nd other floor coverings, and felt
Jewellery, including imitation jewellery and gold and silver plate and gold- and silver-plated ware
Artificial flowers, gramophone records and fireworks.

(b) For the remaining issue of items on this "restricted" list, specific permits will require proof that the goods (or similar goods) are unobtainable from local sources, essential, and in the general interest:

Fertilizers
Paper and paperboard and articles thereof
Badges and signs of metal and/or plastic material
Building materials, including baths, sanitaryware and hardware
Wood, including plywood
Fencing material
Mechanical and/or electrical machinery, apparatus and appliances and parts therefor
Welding electrodes, bolts, nuts, screws, nails, washers, taps and dies, paint and varnish brushes, abrasives in cloth, paper, disc and other made-up forms
Pipes, piping and fittings
Industrial belts, belting and hose
Oils, waxes, resins, glue, adhesives, paints, varnishes
Jute, jute bags, bagging, sacking and hessian
Juke boxes, pintables, novelty tables, coin-operated machines, amusement machines and matches
Motor cars built-up, whether new or used, of an f.o.b. value exceeding $2,240 when new
Books and periodicals, selected

Special consideration will be given to specialist importers of consumer goods who can prove serious injury under the new regulations covering these items.

3. Import of passenger vehicles under the new regulations has been altered from a replacement retail sales basis to a quota authorized by the Minister of Economic Affairs.

4. All the other goods remain as classified in the previous regulations.

Venezuela

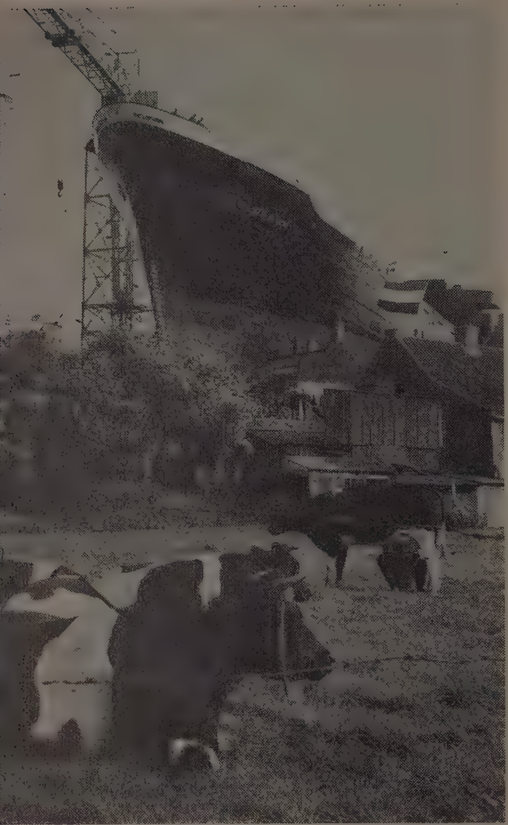
CHANGES IN CUSTOMS AND CONSULAR REGULATIONS—Mr. W. D. Wallace, Commercial Counsellor in Caracas, has reported that certain changes have been made by the Venezuelan Customs Regulation No. 19 published in the *Official Gazette* of July 4, 1961.

The two most important changes in the Regulations concern consular invoices and the payment of freight.

In the case of consular invoices, Article 15 now states that eight consular invoices for each shipment must be submitted whereas previously only seven invoices were required. We understand that the requirement of an eighth invoice came into force thirty days after the publication of these regulations (that is August 3, 1961).

As for payment of freight, Article 33 has established new rules for the filing of shipping documents at the Venezuelan Customs offices. The most relevant innovation is that a written proof must be filed, that the payment of freight has been effected or agreed upon for all such shipments that involve commodities contained in the "controlled market list".

J. R. CAUX, *Assistant Commercial Secretary, The Hague.*



Hard by a shipbuilding yard, Dutch Holsteins munch contentedly, perhaps because they know dairy products have become the leading agricultural export.

Netherlands Agriculture: the Record Reviewec

Dutch farmers produced more last year and sold more to foreig customers, especially their EEC partners. Canada exported mor wheat and barley to the Netherlands, but sales of corn, oilseeds an meat products to the Dutch dropped off.

THE NETHERLANDS, like Canada, has undergone a period of rapid industrialization and is no longer a purely agricultural economy. Nevertheless, basic agriculture continues to be important, providing 10 per cent of the gross national product and employing 12 per cent of the population. Trade in agricultural products looms large, accounting for one third of total Netherlands exports and one fifth of its imports.

Agricultural production in 1960 was valued at an estimated 7 billion guilders, compared with 6.524 billion in 1959. In contrast to the drought of 1959, rainfall in 1960 was abundant, providing lush pastures and exceptionally high yields of field crops. Their quality, however, was considerably poorer than in 1959. Milk production reached a new record at 6.85 million metric tons (15.1 billion pounds).

The dairy industry is the most important branch of Dutch agriculture and more than half of the farm land is therefore used for pasture and hay. Dairy products provide 33 per cent of total farm income and production increased substantially in 1960, with the exception of cheese.

Production of meat rose by 18 per cent because of a 23,000 ton increase in output of poultry meat. Beef production remained close to last year's figure but output from sheep and hogs declined slightly.

Prices of agricultural produ declined 7.5 per cent from the 19 figure, largely because of lo prices for field crops, although li stock prices also declined sligh The index of farm costs rose b per cent, the result of an 18 per cent increase in farm wages dur the year.

Trade in Agricultural Product

About one third of Dutch ag cultural production is export including high-grade livestock, h ticultural and arable farm produc In view of the high concentrati of population, the Netherlands ports many agricultural produ with a high labour content and c sets these exports with imports products such as cereal grains a feeds requiring less labour.

Last year farm products a counted for 20.4 per cent of Dut imports compared with 24.4 p cent in 1959, and for 31.3 per ce of Dutch exports. Agricultural e ports were valued at 4,800 milli guilders, up 6 per cent, and impo at 3,526 million, up 4 per ce The surplus on agricultural tra thus reached 1,274 million guilde All sectors of agriculture co tributed to the larger exports, wi horticulture in the lead, with a per cent increase over 1959. Liv stock and dairy products again a counted for about half of all agr cultural sales abroad. Imports dairy products and livestock fell

per cent but field crops rose 5.4 and horticultural products 9.3 per cent.

Principal Markets

Proximity and the perishable nature of some agricultural products, plus an expanding market, explain why the Netherlands looks to Europe as the natural market for its agricultural output. More than half the total sales in 1960 were made to other EEC countries. West Germany was the most important single customer, buying 1,400 million guilders worth (or 29 per cent of total agricultural exports) including important quantities of eggs, poultry, cheese, milk and fresh vegetables. Other major customers were France, the United Kingdom, Belgium-Luxembourg and Italy. France bought 32,800 tons of fresh meat valued at 97 million guilders. Large quantities of preserved meat (mainly bacon) worth 140.5 million guilders went to the United Kingdom, as did fresh vegetables worth 93.6 million guilders.

Grain Imports

Grain and cereals make up one quarter of total agricultural imports into the Netherlands; they increased 1 per cent over 1959, to 884 million guilders. Much larger imports of corn and millet, which were valued at 277,000 and 126,075 million guilders respectively, accounted for most of this increase. Imports of wheat, oats, barley and rye fell to 361 million guilders in 1960 from 410 million in 1959.

One hundred thousand tons less milling wheat was imported during the crop year 1959-1960 than during the preceding crop year, because the compulsory percentage of domestic wheat to be used by Dutch millers was raised 5 per cent. (Last fall it was lowered by 10 per cent in view of the poor milling quality of the new crop.) During August-December 1960, the increase in imports over the same period of 1959 reached some 57,000 tons. The United States was the main supplier, with more than 30 per cent of the total Netherlands wheat import market in 1960, worth 51 million guilders. For the second consecutive year, the U.S.S.R. came strongly into the market with sales of 177,000 tons valued at 43 million guilders; Canada ranked third with 164,500 tons, worth 40.5 million.

For the period January-April 1961, Netherlands imports of wheat totalled 212,000 tons, an increase of only 2,000 tons over the same period last year. At the end of April the U.S.S.R. was the leading supplier, with 87,000 tons; Canada's share was 42,000.

During 1960, imports of rye and oats increased slightly to 38 million and 74 million guilders. The United States was the main supplier of both, with sales worth 63 million guilders, but important quantities of rye came from East Germany and of oats from Argentina.

Barley imports totalled 381,000 tons valued at 8 million guilders, of which more than half was supplied by the United States; this represents a decrease of 145,000 tons from 1959. Corn and millet imports were 300,000 tons larger; the bulk came from the United States, though Argentina and Mexico supplied important quantities of corn.

Oilseeds and Other Imports

Oilseeds rank next to cereal grains among Dutch agricultural imports, making up more than 11 per cent of the total. In 1960 purchases abroad of oilseeds, nuts and kernels were valued at 399 million guilders, a decrease of 1 per cent. Imports of soybeans were valued at 113 million guilders and of flaxseed at 47 million guilders. Of the 94,000 tons of flaxseed bought abroad, 54,000 tons came from the United States, 21,500 from Canada, and 11,500 from Argentina.

Imports of feedstuffs fell off from 279 million guilders in 1959 to 257 million in 1960, and purchases of meat products declined 15 per cent because of larger domestic production. Fruit and vegetable purchases, on the other hand, rose to 282 million guilders from 262 million. Tobacco imports increased 36 per cent to 230 million guilders.

Trade with Canada

Dutch statistics show that total imports from Canada reached 139 million guilders in 1960; agricultural products accounted for 52 per cent of this, or 72 million guilders, down 6 per cent from the previous

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In 1960, the Dutch farmer . . .

- **Raised agricultural products worth an estimated 7 billion guilders, with dairy products in the lead.**
- **Produced 18 per cent more meat, especially poultry.**
- **Sold 4,800 million guilders worth of farm products abroad, with livestock and dairy products making up half these sales.**
- **Marketed more of his produce (1,400 million guilders worth) in West Germany than in any other country. France was in second place.**
- **Found important customers in Britain for bacon and fresh vegetables and in France for fresh meat.**
- **Exported 29.8 million guilders worth of agricultural products to Canada, with live plants and bulbs accounting for close to one third of the total.**

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year. Grain and cereal products were well in the lead, making up two thirds of the total.

Sales of Canadian wheat were up 9,000 tons over 1959 for a total value of 40.5 million guilders, though our inability to supply the lower grades of milling wheat has kept our exports below the figure reached in some recent years. Barley sales went up to 16,500 tons (a 10,000 ton increase) and rye sales totalled 4,300 tons. Exports of corn declined from 4.7 million to 2.1 million tons and of oats from 3.1 to 2.1 million.

The Dutch are making less use of rapeseed and replacing it gradually with other oilseeds. Our sales of rapeseed declined from 19,000 tons in 1959 to only 1,000 last year. Much larger exports of flaxseed and mustardseed helped to compensate for this loss. Altogether, we sold to the Dutch 15.3 million guilders worth of oilseeds as against 17.2 million in 1959; this included 9,200 tons of soybeans valued at 3.1 million guilders.

NETHERLANDS AGRICULTURAL IMPORTS FROM CANADA

	1959	1960
	(thousands of guilders)	
Total imports	75,812	71,583
of which:		
Meat and meat products	463	134
Dairy products, eggs, honey	3,797	680
Grain and cereal products	52,076	49,788
Animal feedstuffs (except grain)	317	452
Oilseeds	17,282	15,337
Tobacco	800	1,723
Hides and skins, raw	723	2,987
Fruits and vegetables	149	388

Demand for Canadian tobacco (unstripped) was much greater than in 1959 and our sales totalled 378 tons, valued at 1.7 million guilders. Fresh apples from Canada also reappeared on the Netherlands market and 910 tons were sold for a total of 271,000 guilders. Dutch importers also bought small quant ties of canned peaches.

The accompanying table giv further details on Dutch purchas of agricultural products from Car ada in the past two years.

Netherlands exports of agricu tural products to Canada increas from 27.7 million guilders in 195 to 29.8 million in 1960. The lar est items were live plants and bul (10.8 million guilders), cheese (2 million) and preserved fruit (2 million).

Dutch agricultural production 1961 is expected to remain at th 1960 level, because of a probab decrease of 4 per cent in field crop Pork and egg production may al drop slightly, but horticultural pro ucts may rise by 5 per cent. Outp of the dairy industry is also e pected to be slightly larger. A ris of 5 per cent in total exports forecast because of increased de mand for field crops and horticu tural products. •

FAIRS AND EXHIBITIONS

Building Materials in the U.K.

THE Building Exhibition, which alternates annually between London and Manchester (this year it is in London, November 15-29) is, from the Canadian timber industry's point of view, the most important of its kind in the United Kingdom. It features a wide variety of building materials and equipment used by the construction industry and attracts all those directly involved in the building trades, such as contractors, architects and municipal engineers. Visitors usually number about 50,000.

Canada has exhibited at the Building Exhibition for several years and will participate again this fall. Our exhibit will emphasize the use of timber frame construction to encourage a wider use of Canadian lumber and other construction materials for home building. This theme will tie in with the timber promotion program carried on in Britain in co-operation with the Canadian trade associations.

The exhibit itself is an attractively designed half-scale model of a house featuring the various uses of these Canadian woods: Douglas fir and Pacific Coast hemlock for structural framing in floor and ceilir joists, rafters and studs; Western red cedar for shi laps, bevelled siding, panelling, roof decking an shingles; both Eastern and Western spruce for framir materials such as studs, corner posts, plates, sills, li tels and window frames; Eastern white pine for windo frames, joinery work and panelling; birch and map hardwood strip flooring, and Douglas fir plywood f wall and roof sheathing. The interior consists of full-scale display of Douglas fir decorative plywo panels and attractively coloured pre-finished hardwoo plywood "Beautyplank" and "Mattawa Plankply panelling, which has aroused widespread interest in th United Kingdom.

As a market for Canada's forest products, th United Kingdom ranks second only to the United State Last year Canadian forest products purchased by U.K importers reached a value of $179.5 million, a postwa high. This figure represented nearly 20 per cent of ou total commodity exports to Britain and an increas of some 35 per cent over 1959 shipments. More tha one third of these exports consisted of products use

y the British construction industry—lumber, flooring, lywood, shingles, building boards, etc. Lumber ship-lents alone accounted for nearly $52 million and btalled 665.1 million board feet—almost double the 959 figure.

anadian Metals into U.S. Show

ETROIT contains the head offices of all the major .S. automobile manufacturers and 80 per cent of all .S.-made buses are manufactured there. About 10 er cent of total U.S. steel output is used in Detroit. s selection as the site of the 1961 National Metals ongress and Exposition (October 23 to 27) is there-re appropriate.

The Canadian Government will take advantage of e opportunity to promote Canadian metals by enter-g an exhibit. Fourteen Canadian firms will co-operate y exhibiting samples of their products. Among them ill be copper, silver, gold, tellurium, feldspar, mag-esium, semifabricated shapes of nickel and cobalt, rrous metal powders, uranium alloys, semifabricated teel products, various steels, aluminum structures using he triodetic joint, tools and dyes, electrolytic cells, as-separation plants, and plastic-coated fencing.

The large metals exposition runs jointly with the nnual convention of the American Society of Metals nd visitors to the exposition sit in on technical ses-ions, symposiums, and lectures on new discoveries and esearch. About 40,000 visitors last year saw exhibits y base metals manufacturers, metal fabricators, and nachinery manufacturers. Canadians who participated ucceeded in advertising their products and in obtain-ng new business.

oznan XXX

THIS year marked a jubilee for Poland's Poznan Trade air (June 11-25)—the fortieth since its founding and he thirtieth holding of the fair; 58 countries took art. Polish engineers and technicians use the show o further their long-term assignments with foreign ountries and to make direct contact with Western roducts and techniques; it is their preferred place or signing international agreements. All the Western European exhibitors showed large assortments of products from heavy and light industries. The United States entered a display emphasizing consumer goods and heavy construction machinery; the U.S.S.R., Com-munist China and East Germany were also represented n strength. With the further development of the East-ern European economies, the Poznan Fair is expected to acquire increasing importance.

Canada's exhibit stressed aluminum and asbestos. Serious public interest centred on aluminum particu-larly, because of Poland's new interest in producing it. Mr. Gomulko, First Secretary of the Central Committee of the United Workers' Party, paid an extended visit to the Canadian pavilion and Canada's reception and party was well attended. The one-ton aluminum ingot which confronted visitors as they entered the pavilion impressed them all. Continuing through, they found illuminated transparencies and panoramas of the indus-try at Kitimat, articles of aluminum (an outboard motor, electric cable, tools) and modern aluminum kitchen equipment and utensils.

United Kingdom 1961 Shows

AGRICULTURAL MACHINERY—*The Royal Smithfield and Agricultural Machinery Show*, Earls Court, London, December 4-8. Apply: Smithfield Show Joint Committee, S.M.M.T., Forbes House, Halkin Street, London, S.W.1.

DAIRY—*The 75th Annual Royal Dairy Show*—Olympia, London, October 24-27. Apply: British Dairy Farmers' Association, 17 Devonshire Street, London, W.1.

ENGINEERING—*14th Engineering Display*, Westminster, October 17-19. Apply: Engineering Industries Association, 9 Seymour Street, Portman Square, London, W.1.

ENGINEERING DESIGN—*2nd Engineering Materials and Design Exhibition*, London, November 13-18. Apply: Industrial and Trade Fairs Ltd., Commonwealth House, 1-19 New Oxford Street, London, W.C.1.

FOODSTUFFS—*Daily Mail Food, Cookery and Catering Trades Exhibition*, Manchester, September 12-23. Apply: Provincial Exhibitions Ltd., City Hall, Deansgate, Manchester 3.

FOOTWEAR—*Fashion in Footwear Exhibition*, London, October 2-6. Apply: Exhibition Department, "Footwear", Drury House, Russell Street, London, W.C.2.

POULTRY—*16th National Poultry Show*, London, December 6-8. Apply: National Poultry Show, Dorset House, Stamford Street, London, S.E.1.

SHOES—*Shoes for Spring Exhibition*, London, October 2-5. Apply: British Footwear Manufacturers' Federation, 22 Gilbert Street, London, W.1.

SPORTS—*5th British Sports Trade Fair*, London, November 6-9. Apply: Federation of British Manufacturers of Sports and Games Ltd., 145 Oxford Street, London, W.1.

Euroba II

ORGANIZERS have sent out 250,000 admission cards to the bakers, pastrycooks and allied tradesmen of Belgium—anticipated visitors at Euroba II, the forthcoming Bakery Exhibition in Brussels, to be held October 20 to November 12. The list includes delicatessen and butcher-store managers, restaurant owners, hotel proprietors, hospital administrators, school officials, religious community staff, and the army. Admission to the large vertical fair will be restricted to interested members of the industry.

The show's sponsor is the National League of Belgian Master-Bakers and Pastrycooks, which has this year obtained Hall 7 of the Brussels' Fairgrounds buildings—the spacious, ventilated hall built especially for the 1958 World's Fair. The Euroba fair is held every two years, alternating with the NEBATO exhibition in Amsterdam. It features all types of equipment used in the baking industry (ovens, mixers, etc.) plus ingredients and bakery products.

Canada's exhibit will point to the improved quality of flours, dough, and baked products in which a higher proportion of Canadian hard wheat is used. Working models will show wheat being thrashed by combine, taken to a country elevator, then to a terminal elevator, thence into a ship's hold. Banks of transparencies will illustrate the thoroughness of handling and grading Canadian wheat; new research will be described and export grain samples shown. Finally, loaves made from Canadian flour will be set up beside loaves made from other flours.

Fair News from Abroad

The "Comptoir Suisse"

THE *Comptoir Suisse* in Lausanne will be held this year (September 9-24) for the 42nd time, featuring displays of Switzerland's agriculture, industry and craftwork, as well as a government exhibit from this year's guest country, Greece. Some 2,362 exhibitors will set up displays in the 38 halls of the Palace of Beaulieu, and although the fair is general, special sections will feature Switzerland's "elegance and luxury" industries, housing, market gardening, horticulture, dairy, and farm machinery. Any correspondence should be addressed to Comptoir Suisse, Palais de Beaulieu, Lausanne.

Preserved Foods

THE *International Fair for Preserved Foods and Packaging and the International Exhibition of Food Products* take place each year at Parma, Italy—this year from September 20 to 30. The aims of the organizers are to assist in developing the preserved and processed food industry, to publicize research, and to advertise the nutritive value of preserved foods. Exhibitors include members of the food industry, manufacturers of packaging materials, trade representatives and agents, trade federations and associations. Information is available from Marcello Egidi, Commercial Counsellor, Embassy of Italy, 172 MacLaren, Ottawa 2.

1961 Hevac Exhibition

THE first international exhibition of its kind ever held in Europe, the *1961 Heating, Ventilating and Air Conditioning Exhibition,* will be staged at Olympia, London, September 26 to October 6, in associat with the International Conference on Heating, Ve lating and Air Conditioning. The exhibition will inc porate a comprehensive display of equipment, includ industrial air handling and treatment, dust and fu collection, mechanical draft, and allied plant British, European and U.S. manufacture. Appro mately 220 exhibits will occupy 100,000 square f of space. Registered delegates to the conference admitted to the exhibition free; write the Confere Secretariat, Institution of Heating and Ventilating E gineers, 49 Cadogan Square, London, S.W.1.

Het Instrument

IN 1956 a group of Dutch manufacturers and i porters decided to set up a co-operative society, *H Instrument,* to organize periodic specialized exhibitic of scientific and industrial instruments. Since th nearly all the major Dutch firms in this industry ha joined the organization and the exhibition can cla to be representative of the whole industry. The fou exhibition will be held from October 4 to 11 in t Jaarbeurs buildings, Utrecht. Instruments from o 500 manufacturers from many countries will be d played. Apply to Het Instrument, 2 Sparrenla SOEST, The Netherlands.

Agriculture and Horticulture

AN *Exhibition of Agricultural, Horticultural and Fo Products from Common Market Countries* will be he in Brussels at the Centre International Rogier fr December 9 to 17, under the name *The Green F* Participation is restricted to producers in the Six b the show is open to the public as well as busin visitors. The Green Fair will include every sector the designated industries, including manufacturers fertilizers, phyto-pharmaceutical products, garden too and packaging materials. For further information wr COBELEXFO (Festival Vert), 15 rue des Drapie Brussels 5, Belgium.

Household Goods

MANY firms have already submitted applications participate in the *17th International Household F* to be held in the new RAI Hall in Amsterdam, Ap 5 to 15, 1962. About 140,000 visitors from all o the world attended the last showing; exhibitors ca from Europe, North America and Japan. The Fair w have a separate pavilion in 1962 for foreign exhibito write the Secretariat, 154 P.C. Hooftstratt, Amsterda

Pipes and Pipelines

ORGANIZERS have enlarged the scope (and title) the *Second International Pipes, Pipelines, Pumps a Valves Exhibition and Convention,* which will be he at Earls Court, London, for the week beginning Ap

1962. Because pumps and valves are integral parts the pipe and pipeline industry, they have this time een included in the title and the exhibition will therere cover pipes, hose and tubes (rigid and flexible), peline equipment, fabricated pipework, pumps, lves, fittings, chemical plumbing mainlaying, insulation, protection, testing, and ancillary equipment and processes. Experts will discuss the latest techniques in pipeline engineering, pipe and tube technology, and pump and valve design. Offices of the organizers are at 97 Old Brompton Road, South Kensington, London S.W.7.

TRADE COMMISSIONERS ON TOUR

Canada

. H. **AUSMAN,** Commercial Counsellor in Brussels, Belgium:

ttawa—Aug. 14-18
amilton—Aug. 22
cton, Brantford, Fergus, Galt, Guelph, St. Thomas, Sarnia, Welland, Windsor —Aug. 23-30
elleville—Aug. 31
Granby—Sept. 5
Quebec City—Sept. 7
Montreal—Sept. 11-15
Winnipeg—Sept. 21
Vancouver—Sept. 25-29
Toronto—Oct. 2-11

When he completes his tour, Mr. Ausman will return to russels.

. W. **BLAKE,** Acting Director, Agriculture and Fisheries ranch:

. John's—Aug. 2-23
alifax—Aug. 24-26
antsport—Aug. 28
entville—Aug. 29
aint John—Aug. 30
Fredericton—Aug. 31
Quebec—Sept. 1-2
Montreal—Sept. 11-15
Toronto—Sept. 18-22

When he completes his tour, Mr. Blake will go to Kingon, Jamaica, as Canadian Trade Commissioner.

. A. **CAMPEAU,** Commercial Counsellor in Karachi, akistan:

ttawa—Sept. 5-8
oronto—Sept. 11-15
amilton, St. Catharines, Niagara Falls, Brantford, Windsor—Sept. 18-22
Vancouver, Victoria—Sept. 26-30
Montreal—Oct. 5-12
Quebec—Oct. 13

When he completes his tour, Mr. Campeau will transfer Beirut, Lebanon, as Commercial Counsellor.

. R. M. DALE, Trade Commissioner in Cape Town, South frica:

ancouver, Victoria—Aug. 7-19
algary—Aug. 21, 22 (a.m.)
dmonton—Aug. 23, 24 (a.m.)
Vinnipeg—Aug. 25-28
ttawa—Aug. 31
ontreal—Sept. 1
Saint John, N.B.—Sept. 2
Halifax—Sept. 7, 8, 9 (a.m.)
Charlottetown—Sept. 11, 12 (a.m.)
St. John's, Newfoundland—Sept. 13-14
Halifax—Sept. 15

When he completes his tour and home leave, Mr. Dale will eturn to Capetown.

. F. HARRIS, Consul and Trade Commissioner in New rleans:

Ottawa—Sept. 11-20
Hamilton—Sept. 21-22
Toronto—Sept. 25-Oct. 4
Quebec—Oct. 5-6
Montreal—Oct. 9-13

When he completes his tour and home leave, Mr. Harris will return to New Orleans.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

R. A. BULL, Assistant Commercial Secretary in Bogotá, Colombia, will visit Quito and Guayaquil, Ecuador, during the week beginning August 14.

C. G. BULLIS, Assistant Trade Commissioner in Kingston, Jamaica, will visit Nassau from September 3-9.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31, and will attend the Brno International Trade Fair, Czechoslovakia, from September 10-17.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, and Belfast, Northern Ireland, will visit the latter city from Sept. 11-15.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit Panama from August 27-September 8.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will be in attendance on the Canadian stand at the Brno International Trade Fair, Czechoslovakia, from Sept. 17-24.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bull at Bogotá, Mr. Bullis at Kingston, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gallow at Johannesburg, Mr. McLane at Glasgow, and Mr. Taylor at Guatemala City.

Markets in Brief: NETHERLANDS ANTILLES

Area: the Netherlands Antilles consist of a group of six islands with a total area of 409 square miles. The most important islands are Curacao (210 square miles), Aruba (69), and Bonaire (95).

Population: 186,700.

Climate: tropical, but pleasant and healthy. The average yearly temperature is 82 degrees Fahrenheit.

Language: Dutch is the official language used by the authorities and taught in the local schools; for business purposes English and Spanish are used.

Currency: N.A. florin or guilder. One N.A. guilder (N.A.fl.) equals approximately Can.$0.55.

Weights and measures: metric system.

Capital: Willemstad, Curacao.

Chief ports: Willemstad, Curacao; Oranjestad, Aruba.

Marketing centres: Willemstad (46,000), Oranjestad (12,000).

Economy: oil-refining constitutes the chief industry; second-ranking industry is the mining of calcium phosphate.

Total Netherlands Antilles imports: 1960—U.S.$675.0 million; 1959—U.S.-$768.5 million.

Chief imports: crude petroleum, automobiles and parts, electrical appliances, textiles, medical products, beverages and foodstuffs, wheat, flour, potatoes, lumber and wire.

Chief suppliers: Venezuela, United States, United Kingdom, Canada, Argentina, Brazil, Colombia, France, Denmark, West Germany and Italy.

Value of imports from Canada: 1960—Can.$1.1 million; 1959—Can.$1.2 million.

Chief imports from Canada: wheat flour, tires, fish, meats, lumber, newsprint paper, bookkeeping machines, machinery, automobiles, copper tubing, medicinal preparations, drugs and chemicals, whisky.

Total Netherlands Antilles exports: 1960—U.S.$651.3 million; 1959—U.S.$705.1 million.

Chief exports: petroleum products (99 per cent), phosphates, salt, orange peel, aloe, hides, divi-divi straw hats.

Chief markets: United States, Canada, Argentina, Brazil, Denmark, France, West Germany, Italy.

Value of Canadian purchases: 1960—Can.$32.5 million; 1959—Can.$47.4 million.

Chief Canadian purchases: petroleum products and miscellaneous commodities.

Dollar exchange: exchange control is in force, but authorized banks may effect payment of imports, which require no licences, without exchange control approval. Exchange permits are freely granted. Clearance through custom subject to exchange control approval.

Prices: preferably quote in United States currency, either f.o Canadian port or c.i.f. Netherlands Antilles port.

Credit terms and practices: usually sight draft, D/P, or 60-, 90-, 120-days sight, D/A.

Samples: samples of no commercial value are admitted free duty.

Trade agreements: most-favoured-nation trade agreement tween Canada and the Netherlands includes the Neth lands Antilles.

Import controls, documentation, customs tariffs, marking labelling: consult the International Trade Relati Branch, Department of Trade and Commerce, Ottawa

Canadian banks: none, but most Canadian banks have c respondents in the Netherlands Antilles.

Correspondence: airmail only; letters 10 cents per half our

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
Apartado 11452 (Este)
Caracas, Venezuela
(by airmail only)

Foreign Commercial Representatives in Canada

ARGENTINA

Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

AUSTRALIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Calgary—Consulate of Austria, 31 Hollinsworth Bldg.
Halifax—Consulate of Austria, 6 Young Avenue.
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, 525 Seymour Street.
Winnipeg—Consulate of Austria, 54 Harrow Street.

BAHAMAS

Toronto—Trade Commissioner, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM

Montreal—Consul General of Belgium, 709 Sun Life Bldg.
Toronto—Consul General of Belgium, Roome 303, 11 Adelaide Street West.
Vancouver—Consul General of Belgium, Room 1432, 355 Burrard Street.

BOLIVIA

Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

BRAZIL

Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Brazilian Commercial Service, Room 302, 400 St. James St. West.
Toronto—Brazilian Commercial Service, Suite 1006, 2 Carlton Street.

CHILE

Ottawa—Embassy of Chile, 56 Sparks Street.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA

Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA

Ottawa—First Secretary and Consul, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.
Toronto—Consul of Colombia, 67 Yonge Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA

Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA

Montreal—Cuban Consul, Consulate General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA

Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

DENMARK

Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Consul General, Royal Danish Consulate General, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 118 Danforth Avenue.

DOMINICAN REPUBLIC

Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR

Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.
Vancouver—Consul of Ecuador, 3532 West 32nd Avenue.

EL SALVADOR

Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND

Ottawa—Attaché, Embassy of Finland, 85 Range Road.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 2060 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 1 Waverley Str
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

GHANA
Ottawa—Counsellor, Office of the High Commissioner for Ghana, Suite 606, The Fuller Building, 75 Alb Street.

GREECE
Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI
Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.
Halifax—Honorary Consul of Haiti, 50 Sackville Street.
Montreal—Consul General of Haiti, 3449 Prudhomme Avenue.

HONDURAS
Montreal—Consul General, Consulate General of the Republic of Honduras, 5407 Coolbrook Avenue.

INDIA
Ottawa—First Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

INDONESIA
Ottawa—Second Secretary (Economics), Indonesian Embassy, 275 MacLaren Street.

IRAN
Ottawa—Counsellor, Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

IRAQ
Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 2135 Wyoming Avenue N.W.

IRELAND
Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

ISRAEL
Montreal—Consul of Israel (Commercial), 1555 McGregor Street.

ITALY
Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 3615 Cote des Neiges Road.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN
Ottawa—First Secretary (Commercial), Embassy of Japan, 75 Albert Street.
Montreal—Consulate General of Japan, 1310 Greene Avenue, Westmount.
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.
Vancouver—Consulate of Japan, 510 Hastings Street West.
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

LEBANON
Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 3, Laurier Avenue West.

LUXEMBOURG
Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO
Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.

MONACO
Montreal—Consul of Monaco, Suite B, 2211 Closse Street.

NETHERLANDS
Ottawa—Economic Section, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate General, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate General, 159 Bay Street.
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.
Vancouver—Netherlands Consulate General, 475 Howe Street.

NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West

NICARAGUA
Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

NORWAY
Montreal—Consul General of Norway, Norwegian Consulate General, 1410 Stanley Street.

PAKISTAN
Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

PANAMA
Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Trade Commissioner, Philippines Consulate, 615 West Pender Street.

POLAND

Ottawa—Commercial Counsellor to the Polish Embassy, 362 Stewart Street.
Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.
Halifax—Consulate of Portugal, P.O. Box 355.
Montreal—Consulate of Portugal, 4135 Sherbrooke Street West.
North Sydney—Consulate of Portugal, P.O. Box 769.
Saint John—Consulate of Portugal, 4 North Wharf.
Toronto—Consulate of Portugal, 159 Bay Street.
Vancouver—Consulate of Portugal, 1929 West Broadway.

REPUBLIC OF SOUTH AFRICA

Ottawa—Commercial Secretary, South African Embassy, 15 Sussex Drive.

SPAIN

Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

SWEDEN

Ottawa—Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Royal Consulate General of Sweden, 2055 Bishop Street.
Toronto—Trade Commissioner, Royal Consulate of Sweden, 1057 Bay Street.
Vancouver—Trade Commissioner, Royal Consulate of Sweden, Dominion Bank Bldg., Room 914, 207 West Hastings Street.

SWITZERLAND

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 100 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

THAILAND

Toronto—Consul of Thailand, Suite 600, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED ARAB REPUBLIC

Ottawa—Commercial Secretary, Embassy of the United Arab Republic, Roxborough Apts., Apt. 62.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta and Northwest Territories, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Regina—Office of the United Kingdom Trade Commissioner, Derrick Bldg., Room 207, 2431 11th Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, 635 Dorchester Boulevard West.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia and Yukon Territories, Bank of Nova Scotia Bldg., 602 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba, Saskatchewan, and Northwest Ontario, 504 Main Street.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, 315-8th Avenue.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Avenue.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 206 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., the Roxborough Apts., Apt. 32

VENEZUELA

Halifax—Consul of Venezuela, Roy Bldg., Barrington Stret.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Consul of Venezuela, 525 Seymour Street.

THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS

Montreal—Commissioner for The West Indies, British Guiana, and British Honduras, Suite 200, 1210 Sherbrooke Street West.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .9699909.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 31	Units per Canadian dollar	Notes (See belo
Argentina	Peso		.01251	79.94	
Austria	Schilling		.03996	25.02	
Australia	Pound		2.3054	.4338	
Bahamas	Pound		2.8818	.3470	
Belgium and Luxembourg	Franc		.02072	48.26	
Bermuda	Pound		2.8818	.3470	
Bolivia	Boliviano	Free	.00008791	11,375.27	
British Guiana	Dollar		.6004	1.66	
British Honduras	Dollar		.7209	1.39	
Brazil	Cruzeiro	Free	.004004	249.75	
		Special Category	†	†	
Burma	Kyat		.2165	4.62	
Ceylon	Rupee		.2161	4.63	
Chile	Escudo		.9800	1.02	
Colombia	Peso	Certificate	.1539	6.50	
Congo, Republic of	Franc		.02072	48.26	
Costa Rica	Colon	Official	.1836	5.42	
		Controlled free	.1550	6.45	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1432	6.98	
Denmark	Krone		.1491	6.71	
Dominican Republic	Peso		1.03094	.96999	
Ecuador	Sucre	Official	.05727	17.46	
		Free	.05284	18.92	
Egyptian Region, United Arab Rep.	Pound	Official	2.9604	.3378	
El Salvador	Colon		.4124	2.42	
Fiji	Pound		2.5962	.3852	
Finland	Markka		.003222	310.37	
France, Monaco, etc.	New Franc		.2104	4.75	
Franco-African Republics, etc.	Franc		.004208	237.64	
French Pacific	Franc		.01157	86.43	
Germany	D Mark		.2588	3.86	
Ghana	Pound		2.8818	.3470	
Greece	Drachma		.03436	29.10	
Guatemala	Quetzal		1.03094	.96999	
Haiti	Gourde		.2062	4.85	
Honduras	Lempira		.5155	1.94	
Hong Kong	Dollar	Free*	.1801	5.55	*July
		Official	.1764	5.67	
Iceland	Krona	Official	.02713	36.86	
India	Rupee		.2161	4.63	
Indonesia	Rupiah	Official	.02291	43.65	
Iran	Rial		.01361	73.48	
Iraq	Dinar		2.8866	.3462	
Ireland	Pound		2.8818	.3470	
Israel	Pound		.5727	1.75	
Italy	Lira		.001661	602.05	
Japan	Yen		.002864	349.16	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 31	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3239	3.09	
Mexico	Peso		.08248	12.12	
Morocco	Dirham		.2062	4.85	
Netherlands	Florin		.2868	3.49	
Netherlands Antilles	Florin		.5467	1.83	
New Zealand	Pound		2.8818	.3470	
Nicaragua	Cordoba	Effective buying	.1562	6.40	
		Official selling	.1462	6.84	
Nigeria	Pound		2.8818	.3470	
Norway	Krone		.1440	6.94	
Pakistan	Rupee		.2161	4.63	
Panama	Balboa		1.03094	.96999	
Paraguay	Guarani	Official	.008150	122.70	
Peru	Sol		.03842	26.03	
Philippines	Peso	Free	.3436	2.91	
		Official	.5155	1.94	
Portugal & Colonies	Escudo		.03598	27.79	(5)
Republic of South Africa	Rand		1.4409	.6940	
Singapore and Malaya	Straits Dollar		.3362	2.97	
Spain and Dependencies	Peseta		.01718	58.20	
Sweden	Krona		.1999	5.00	
Switzerland	Franc		.2387	4.19	
Syrian Region, United Arab Rep.	Pound	Free	.3257	3.07	
Thailand	Baht	Free	.04876	20.51	(4)
Tunisia	Dinar		2.4743	.4041	
Turkey	Lira		.1145	8.73	(4)
United Kingdom	Pound		2.8818	.3470	
United States	Dollar		1.0309375	.9699909	
Uruguay	Peso		.09351	10.69	
Venezuela	Bolivar	Free	.2240	4.46	
		Official	.3077	3.25	
West Indies Fed.	Dollar		.6004	1.66	(6)
	Pound		2.8818	.3470	(7)
Yugoslavia	Dinar	Official	.001375	727.27	

Notes

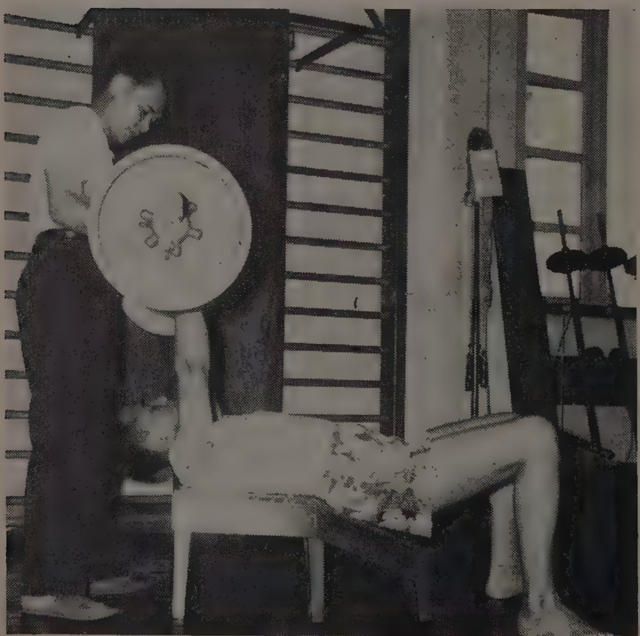
1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

In the United States—This shipment of reinforcing bars that weighs some 2,500 tons will soon be on its way to California.

In New Zealand—The largest single shipment of table salt [in] New Zealand, recently arrived from Canada, is unload[ed]

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".



In the Philippines—The vice-mayor of Manila does some toughening up with a bar-bell set that was made in Canada.

In the Netherlands—In Amsterdam, Douglas fir and heml[ock] lumber from British Columbia is piled on waiting bar[ges]

Roger Duhamel
QUEEN'S PRINTER

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How can I exhibit in Lagos and Accra...

DEPARTMENT OF TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, July 21, 1961.

Mr. A.D. Adams,
Director of Publicity,
Equipment Association of Canada,
Montreal, Quebec.

Dear Mr. Adams:

As requested in your letter of July 19, I am pleased to provide the information you asked for on the Canadian Trade Fair to be staged in Ghana and Nigeria early next year.

The first exhibition will be held in Lagos, January 17- 1962, at the Exhibition Grounds on Victoria Island. It will the move to the Polo Grounds in Accra where the exhibition will run February 14-24. Commodity exhibits will be housed in individual booths, each bearing the exhibitor's identification as well as the name of the local agent. Booth units measure 10' x 10' and fitt and decoration will be provided without charge to the exhibitor. Your products will be shipped from a Canadian assembly point to site of the fairs and returned, if necessary, without charge exc that a maximum freight allowance will apply to very heavy equipm

In order to handle trade inquiries effectively, all boo must be manned by company representatives or local agents in Gha and Nigeria. Attendance at the fairs will also provide an oppor tunity to gain first-hand knowledge of the requirements of these rapidly expanding markets. The enclosed brochure provides furth details on the plan of exhibits, hours of operation, transporta arrangements, and so on. If there are further questions which I can answer, please feel free to write or telephone at any time.

I am also sending you a booklet covering the Departmen complete trade fair program for 1961 and early 1962. You may wi to bring it to the attention of your member companies.

Yours very truly,

D.S.W. Daunle.

Chief, Trade Fairs Abroad Divisi
Trade Publicity Branch.

Trade and Commerce Can Help Y

What Kind of a Market Is Belgium? (page two)

How to Sell the U.S. Lumber Buyer (page 14)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA

AUG. 26. 61

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COMING—SEVEN WEST AFRICAN MARKETS, IN THE SEPTEMBER 9 ISSUE

Parts of a prefabricated plant are loaded at Antwerp for shipment to Canada.

What Ki

L. H. AUSMAN, Commercial Counsellor in Brussels for the past three years, began a tour of major business centres in Canada on August 22. For the benefit of businessmen who will be meeting him later and also for those who have not yet tried selling in his territory, he sketches the characteristics of the Belgian market and suggests how and what Canadians can sell there.

BELGIUM, with a populati
scarcely half that of Canada, is c
eighth largest market and, asi
from the United Kingdom, the th
most important in Europe. Exte
sive Belgian direct investments
Canadian industry strengthen
economic ties; these investme
rank in importance only after th
of the United States and the Uni
Kingdom.

Surrounded as it is by the Neth
lands, Germany, Luxembourg a
France, and with but a short coa
line facing England across the No
Sea, Belgium has over the centur
been a battleground. It is not su
prising, therefore, that this small b
vigorous country should be one
the strongest supporters of Eu
pean integration and a charter me
ber of three European econom
groups. In the organization and d
velopment of the European Ec
nomic Community, Belgium w
able to contribute its experience
regional co-operation which beg
in 1921, when the Belgo-Luxe
bourg Economic Union was creat
by a 55-year convention. If t
First World War resulted in t
limited association between t
neighbours, the second created t
climate for a wider association e
bracing the Netherlands also. Agr
ment to create another econom
union was reached in 1944 and t
Benelux Customs Union and Co
mon Tariff came into force in 194
Ten years later, a full treaty
economic union between the thr
countries was signed.

Just over half of Belgium's 9
million inhabitants are Flemi
(Dutch) speaking and they l
mainly in the agricultural area
the west and north and in t
Brussels region. The linguistic fro
tier runs along a line that pas
through the capital and bisects t
country roughly into two equ
areas. The French-speaking popu

a Market Is Belgium?

on occupies the more industrial arts of the country—particularly long the River Meuse and also the igher, less populated but very eautiful Ardennes country.

ıdustry and Agriculture

It is so well known that Belgium a highly industrialized country at the economic and social imprtance of its rural population (3.1 illion) is often overlooked. One the outstanding characteristics of elgian life is that a large part of industrial labour force lives in e country, where it cultivates nall plots of land. There are over 2,000 smallholders farming less an 2½ acres and they account r 74.6 per cent of the total agriltural area. On the other hand, rge farms are few; those over 50 res account for less than 1.4 per nt of the total area. This affects e use of large and efficient agricultral equipment.

Industrial and commercial activity is carried on in the larger ies and along such traditional ansportation arteries as rivers, nals and highways. The larger ies are:

	Population	Density (per sq. km.)
Brussels	1,407,660	1,273
Antwerp	856,845	856
Liege	608,827	803
Charleroi	467,752	834
Ghent	457,312	499

An extensive and efficient system transportation by rail, road, river d canal, plus fast automatic teleone service, facilitates internal mmunication, the movement of pulation, and the transfer of ods. All these services link up th the ports of Antwerp (one the world's largest), Ghent and uges-Zeebrugge. Air service to d from Brussels is provided by bena (the Belgian national line) and many other world airlines, including Trans-Canada.

Industrial Exports Important

Though it lacks most raw materials except coal, Belgium rates high in industrial production and the standard of living compares favourably with that of its Common Market partners. Its gross national product is below the average, however, and between 1953 and 1959 it increased annually by only about 2½ per cent. Immediately after the war, however, industrial activity increased at a tremendous rate.

The Belgian steel industry has held its own in competition with German, French and Luxembourg producers, despite higher wage rates and dependence on export markets to dispose of a large proportion of its production. The processing of non-ferrous metals is also important: Belgium is the largest European producer of zinc, electrolytic copper, cobalt, germanium and radium.

In the metal, mechanical and electrical fabrication industries, production has risen by 50 per cent since 1937. Here too export markets are important and take 30 per cent of production.

Other important export industries include glass, textiles, chemicals and pharmaceuticals, and food products.

Exports and Imports

Like the Canadian, the Belgian economy depends a great deal upon foreign trade. Aside from agricultural production which, on balance, meets most of the country's food requirements, its only important natural resource is coal. Consequently imports consist largely of raw and semi-finished products. These, with food, account for two thirds of the import trade. On the other hand, exports of manufactured products are in about the same proportion. At least 40 per cent of Belgium's manufactures are sold abroad.

In 1960 exports were valued at $3,775 million—a record figure and 15 per cent higher than in 1959. Imports increased by the same percentage to $3,957 million, raising the trade deficit from $147 million in 1959 to $172 million in 1960.* The Government has forecast a 40 per cent increase in foreign trade during the next five years.

Canadian manufacturers and exporters will be interested in the accompanying tabulation of main groups of Belgian imports in 1960.

TABLE I

IMPORTS INTO BELGIUM 1960 BY MAIN GROUPS

	(millions of dollars)
Machinery and transportation equipment	$ 801.7
Metals and manufactures	464.1
Mineral oil, coal and coke	395.2
Food, drink and tobacco, n.e.s.	378.0
Manufactured products, n.e.s.	344.2
Textile raw materials	261.7
Chemicals, pharmaceuticals, explosives and fertilizers	255.5
Metallurgical ores and scrap	240.7
Textiles and clothing	211.6
Precious metals and jewels	155.1
Raw materials for the wood, paper, leather and rubber industries	129.5
Cereals and cereal products	128.7
Crude minerals and crude fertilizer	94.2
Vegetable oils and fats, oilseeds, nuts, etc.	69.0
Other raw materials	19.7
Miscellaneous	8.0
Total	3,957.0

Canada ranked eleventh as a supplier to Belgium in 1960 but Canadian goods accounted for only 1.2 per cent of total Belgian imports.

---

*Canadian statistics for 1960 were:
Total exports from Canada—$5,266 million
Total imports into Canada —$5,492 million
Deficit —$ 226 million

96689-5—2

The Trade Commissioners can help you sell in Belgium if you:

- Send us complete information about your products, with several copies of literature and price lists. Samples are frequently necessary, but whether they should be sent with the original inquiry depends on their size and value. Because duty may be assessed on samples, consult the Trade Commissioner if you are in doubt.

- Indicate what industries use your product in Canada or elsewhere, if that product is technical or unusual.

- Quote the lowest possible export prices. These may well be different from your domestic prices. Make certain that sales tax and other domestic factors are not included.

- Make sure that prices are, whenever possible, c.i.f. Antwerp, although many Belgian importers and agents handling similar lines are able to estimate laid-down costs on the basis of f.a.s. East Coast ports; f.o.b. inland points or ex-factory prices are of little or no help for this purpose.

- Let us know if you wish to sell through a commission agent, or direct to an importer, manufacturer, wholesaler, or department store. If you wish an agent, tell us what rate of commission is included in your price.

- Tell us what other agents you have in Europe and what territory they cover. Belgian agents usually wish to include Luxembourg, often all of Benelux, and occasionally other Common Market countries as well.

- Realize that letter of credit terms are less acceptable now, though sometimes they are used for initial orders. Payment against documents and more extended credit arrangements are usually offered to importers by foreign suppliers. The Trade Commissioner can provide reports on status of firms.

- Let us know if you can correspond in French. Although many Belgian businessmen speak English, they are not always able to correspond in that language. Other things being equal, they prefer to use their own language.

- Most important, plan to visit the Belgian market and give us advance information of your itinerary and the type of contacts you would like to make. We shall arrange appointments for you which will save you time. If you wish, we can reserve hotel accommodation and a car. Our experience is that a follow-up visit by a Canadian exporter is often the decisive factor in establishing initial business, particularly for a new, technical or specialized product.

Table II demonstrates plainly [the] importance of the Belgian mar[ket] to its European neighbours and its former African colony.

TABLE II

BELGIAN IMPORTS BY COUNTR[Y] OF ORIGIN, 1960

From	(millions of dollars)
West Germany	$674.0
Netherlands	587.8
France	538.0
United States	391.0
United Kingdom	291.7
Congo	264.3
Sweden	119.5
Italy	94.0
Switzerland	71.5
Australia	55.0
CANADA	47.9
Iraq	47.6
Argentina	45.6

Tariffs and Trade Regulation[s]

Belgium has for several years h[ad] a common tariff structure with [its] Benelux partners. The first st[eps] have been taken to realign this ta[riff] with the common external tariff [of] the EEC. As the latter is, gener[ally] speaking, an arithmetical aver[age] of the tariffs of the six Comm[on] Market countries, and as Bene[lux] was a comparatively low-tariff a[rea], there will be some increase in B[el]gian rates to bring them into l[ine] with the common tariff. At [the] same time, the reduction in the [in]ternal duties between mem[ber] countries is being accelerated [so] that in due course most goods [will] circulate freely within the Co[m]munity.*

In addition to the rates of du[ty] Belgium imposes certain transm[is]sion and luxury taxes which may[, in] some instances, be higher for [im]ported than for domestic goo[ds]. For some agricultural produ[cts] such as coarse grains, an imp[ort] licence tax is also applied. The co[m]mon agricultural policy of [...]

*For further information on progres[s in] the development of the EEC, see "[The] Common Market Forges Ahead" in *For[eign] Trade* of July 1, 1961, and the other art[icles] mentioned there.

European Economic Community is still to be worked out, however, and this will influence the tariff structure and import regulations of the member countries.

Import licences are required for certain goods (mainly agricultural) but quantitative restrictions are being removed. There are no exchange restrictions. The Belgian franc is fully convertible and foreign currency can be obtained readily for commercial transactions.

TABLE III

CANADIAN EXPORTS TO BELGIUM BY MAIN GROUPS, 1960

Total	**$69,131,111**
Wheat	19,301,880
Nickel	11,560,082
Aluminum	5,598,881
Asbestos	5,526,635
Copper and brass	3,246,333
Lead and zinc	2,824,130
Lumber, pulp, paper	2,665,526
Iron, steel and alloys	2,296,398
Seeds	2,035,095
Chemicals, synthetic resins	1,991,075
Aircraft and engines	1,404,394
Iron ore	1,280,310
Fish	1,077,339
Silver in ore, concentrates	990,772
Engines (excluding aircraft)	795,471
Non-metallic minerals	754,254
Autos and parts	616,126
Other cereals (excluding wheat)	410,711
Dairy products	395,466
Industrial machinery	373,162
Meats	351,529
Domestic and office appliances	346,068
Radios and electrical equipment	286,669
Flour	286,374
Textiles and clothing	182,348

TABLE IV

CANADIAN IMPORTS FROM BELGIUM BY MAIN GROUPS, 1960

Total	**$41,400,922**
Iron and steel	12,458,002
Glass and glassware	6,629,194
Diamonds	4,953,296
Fibres, textiles and clothing	3,723,171
Carpets	2,985,028
Tin	2,587,092
Photographic paper and film	1,391,018
Books	802,213
Chemicals	795,181
Machinery and equipment	558,298
Asbestos manufactures	391,614
Guns	388,644
Horticultural products	385,973
Essential oils	194,071
Phosphate rock	168,282
Biscuits and confectionery	160,788
Paper and pulpboard	120,605

Trade with Canada

Just over half (53 per cent) of Canada's exports to Belgium consist of industrial raw materials—mainly ores, minerals and metals, wood, pulp and paper. One third (33 per cent) is made up of agricultural and fisheries products, and the remainder (14 per cent) of a variety of manufactured goods. Canadian exports to Belgium by main groups in 1960 are set out in Table III.

Belgian goods imported into Canada during the same period included an equally important percentage of industrial raw materials (iron and steel, glass, diamonds and tin) but the remainder was made up of a wide variety of manufactured goods, as Table IV shows.

Catering to the Belgian Market

Canadians can count on a reservoir of goodwill in Belgium and many personal ties were established during two world wars. Canadian visitors and businessmen are welcomed and receive every possible courtesy and assistance. But sentiment is not enough. Belgians are, above all, experienced businessmen and traders. Their country has been free of exchange and other restrictions since the end of the war and they are consequently inundated with offers of goods from all parts of the world. Price, quality, delivery and service all play an important rôle and competition is severe.

To maintain and improve Belgium's position in relation to its Common Market partners, the Government has recently proposed a five-year plan (1961-1965) which, it is hoped, will increase the present rate of growth of the gross national product to 4 per cent a year. Increased production, combined with the removal of tariff barriers between countries of the Common Market and the adoption of a common external tariff, will mean more competition for many Canadian products.

The bulk of our sales to Belgium, as I pointed out earlier, have been industrial raw materials and semi-finished goods. We may expect our exports of these products to keep pace with the growth of Belgian industry. The market for our agricultural products will depend in large measure on the common agricultural policy now being worked out by the Six and on the access to this market that Canada is able to negotiate.

It is in the field of manufactured goods that Canadian suppliers must make the greatest effort. Sales increases are not expected in every sector (indeed it will be difficult to hold the line on some) but concerted efforts by Canadian manufacturers, in co-operation with the Canadian Foreign Trade Service at home and in Belgium, could result in larger sales of products where demand is growing.

The Trade Commissioners in Brussels stand ready to assist any Canadian firm that wishes to introduce its product or extend its sales in Belgium and Luxembourg.

While I am on tour in Canada (see schedule on page 30) I shall be pleased to meet prospective exporters to Belgium. Correspondence with the office in Belgium should be addressed to the Commercial Counsellor, Canadian Embassy, 35 rue de la Science, Brussels.

Freight Rates to West Africa

EFFECTIVE August 1, 1961, ocean freight rates on all cargoes, excluding extra length and heavy lift charges, from St. Lawrence, Eastern Seaboard, and Gulf ports in Canada and the United States carried by the American-West African Freight Conference were increased by 10 per cent. This affects all four lines currently operating between Canada and West African countries such as Ghana, Nigeria and Sierra Leone. It is expected that return cargo rates from West Africa will be increased by an equal amount on October 1.

96689-5—2½

How Burroughs Entered Export Markets

W. J. GLENDINNING, *Manager, Supplies Division, Burroughs Business Machines Ltd.*

Before plunging into export, a Canadian company should deci what products it can sell abroad competitively, what markets to ent first, and how the new venture will affect its domestic productio

WE first approached the matter of exporting by deciding which of our products could best compete in foreign markets. In making this decision, we studied particularly their competitiveness in quality and price. Certain ones were discarded because their laid-down cost abroad would place them at a disadvantage in comparison with locally produced goods. This was particularly true of heavy goods of low value, where freight rates would be high in relation to the selling price of the merchandise.

We also asked ourselves other questions:

- In what manufactured products did we want additional volume?

- How would increased volume in these affect our domestic costs, deliveries, inventories, etc?

- Were tariffs in certain countries favourable to this type of Canadian-made goods?

- Could we meet delivery schedules after satisfying our domestic customers?

- Could we live with the terms of payment?

- Could we meet foreign standards in sizes and packaging without high waste factors?

- What additional packing and protection would be needed for our goods on overseas shipments?

Choosing Products

Following careful study, we decided that the products most likely to succeed were those that were new and had a high content of technical skill. In reaching this decision, we gave considerable thought to the type of competition we would face, especially from European manufacturers with lower wage rates. In our industry such manufacturers do not, as a rule, develop new products as quickly as their North American counterparts. Consequently the market for our plastic solvent coated carbon papers and inked machine ribbon products appeared to offer the greatest potential.

We then turned our attention to a major question that is certain to confront anyone interested in d veloping an export market. Whe are these markets and how does o find them?

Actually they exist everywhere the Free World. The exporter mu however, make up his mind to s lect someone within his organizati to go to work and search for t proper contacts.

Contacts in foreign markets m be established in many ways. He are a few that my company h used:

1. Through the good offices of t Department of Trade and Co merce and the Commodity Office we have listed our company in t Department's *Exporters' Directo* as interested in export trade a have named the products we shou like to sell. This Directory listing given to all Trade Commissione abroad.

2. We wrote directly to the Can dian Trade Commissioners in ce tain areas for the names of pro pective agents or distributors, on we had decided on the markets th should be receptive to our produc

3. We got in touch with the Tra Commissioners of foreign countr stationed in Canada for advice a assistance.

4. We subscribed to overseas tra journals and to other export pu lications.

. We visited public libraries to btain all available names and ad-resses of prospective contacts and ustomers through standard trade irectories available for almost all narkets.

Ve Write Letters

All of these methods can be aluable but we stress particularly he need to obtain names and ad-resses and to write to as many eople as possible, letting them now that you exist and are in-erested in selling your products to hem.

At Burroughs, one of our main ays of going after export business this writing of letters . . . lots of tters, all airmail, almost all the me. We send samples . . . lots of amples, all air parcel post. The tters are almost all in standard ormat; the sample orders are also andard. We write these letters in nglish and we try to send copies the Canadian Trade Commis-oner in the area. If translation needed, we feel that our contacts an ask the Trade Commissioner or help. Writing in English, we el, helps us to avoid any errors or onfusion.

ssessing Export Costs

In assessing the cost of export les to your business, many factors ould be considered.

First, what is your objective in tering the export field? Is it to crease your Canadian production 10 or 20 per cent? If so, is there fficient potential in foreign mar-kts to meet your objective?

There are other equally pertinent uestions.

Will this extra business help to vel out the peaks and valleys in our plant?

Will it allow you to buy larger uantities and thus lower home-arket costs?

Will this extra volume allow you t buy better equipment?

In our own plant, we feel that the extra export volume is of real value. We have certain expensive equipment that should run on two shifts for the most economical operation. However, because of the size of the Canadian market and its inability to absorb the production of these machines, the equipment runs on one shift only, plus occasional overtime.

We have decided that our aim should be to earn in the export field about 10 per cent of what we earn in the home market. We have had to learn how to work out export costs on a different basis than for domestic sales.

For the present, we feel our export business does not involve additional costs, nor do we feel that export orders distort administrative costs. In any event, engineering and research costs are fixed whether we receive orders or not.

If our export volume reaches 10 per cent of our domestic volume, we shall take a serious look at our present method of costing for export. Meanwhile we are convinced that many cost factors can be eliminated from export pricing. We are also certain that it is possible to improve the production and efficiency of the domestic market through a well-thought-out export program.

Other Points

We process orders for export in almost the same way as we process our domestic orders, except that we turn the preparation of shipping documents, etc., over to a forwarding agent. Usually we fill orders from stock, thus keeping our inventory moving better. We do wait a little longer for our money but to date we have not lost a penny in export orders.

Canadian products are excellent in quality and design. They are attractively packaged and acceptable in most markets. Our experience is that they will sell overseas when they are sensibly priced for the foreign customer. ●

India Makes Machine Tools

UNTIL 1956, India's production of machine tools was limited to simple and primary types made by small private firms. Tool production never exceeded $2 million in value. But by 1960, production reached ten times that figure. As early as 1949 the Indian Government, realizing that a machine tool industry was essential if the country was to industrialize, entered into an agreement with Oerlikon Machine Tool Works of Switzerland to establish a factory.

The resulting company, Hindustan Machine Tools, which is completely government-owned, began operations in October 1954 and lathes started to come off the production line early in the fiscal year 1956/57. The target for production that first year was 57 lathes but actually reached 135. By 1960-61 production had expanded to 1,002 machines comprising lathes, milling machines, radial drills, and grinders. The indigenous content of all machines except the grinders was over 90 per cent.

Since the original agreement with Oerlikon, the company has signed agreements with Fritz Werner and Hermann Kolb, both of West Germany, with H. Ernault Badignolles of France, and with Olivetti of Italy. These agreements have led to the expanded production.

The efficiency of the company is demonstrated by its claim, supported by private industry, that its selling prices are below the landed cost of comparable imported machines. At the same time, the operation has been sufficiently profitable to allow the writing off of development costs of approximately $2 million and financing the planned doubling of capacity without assistance from shareholders or the Government.

An expanding and efficient machine tool industry is essential to the success of India's Third Five Year Plan. Production of the major machinery manufacturing industries is expected to increase fivefold during the next five years—from an estimated $90 million in 1960 to approximately $450 million by March 1966.

Many official steps have been taken to encourage expansion of this vital industry, the latest of which is the formation of a Development Council for the machine building industry. The Council will be responsible for recommending production targets for industrial machinery and co-ordinated production programs.

—W. F. HILLHOUSE,
Trade Commissioner, Bombay.

India's Pulp and Paper Needs

A growing population and rising literacy rate are straining India's supplies of pulp and paper, and increasing domestic production is not expected to keep pace with domestic demand.

G. A. NEWMAN, *Commercial Counsellor, New Delhi.*

IN 1950, the year before India's First Five Year Plan, production of paper other than newsprint totalled 108,912 tons and consisted of printing and writing paper 70,152 tons, wrapping paper 14,616, paperboard 18,948, and special varieties 5,196. Under the Five Year Plans, production increased to 194,124 tons in 1956 and 294,024 tons in 1959. The 1959 figure was made up of printing and writing paper 177,400 tons, wrapping paper 55,632, paperboard 55,668, and special varieties 5,328. Estimated total production other than newsprint for 1960 (just before the Third Five Year Plan) was 345,000 tons, with about four fifths of the increase accounted for by expansion of existing units.

Production and Demand

At the start of the Third Five Year Plan in 1961, India's 25 mills were listed as capable of producing 410,000 tons of paper and paperboard (other than newsprint) with individual mill capacity ranging from 3,000 tons to a maximum in two mills of 60,000 tons each. Printing paper, writing paper, kraft and wrapping paper, paperboard, and other types were in general production. Officially it was stated that the types of paper still to be made domestically were manila paper, condenser paper, cable and electrical insulation papers, photographic base papers, base paper for carbonizing tissues, glassine and butter paper, high-strength kraft for multi-ply parchment, and brush-coated art paper.

INDIA'S IMPORT LICENSING POLICY FOR PAPER, NEWSPRINT, AND WOOD PULP, APRIL-SEPTEMBER, 1961

(ITC No.)	Item	Policy
	PAPER	
IV/156	Writing paper	1. No licences will be issued. Howev licences for printing paper (nos. 157 a 158) can be used for importing writi paper.
IV/157 IV/158	Printing paper, excluding white printing paper (newsprint); poster, stereo, and coated papers	1. Quota for established importers. 2. Licences issued valid for nine montl 3. Licences also valid for importi glazed newsprint and writing paper. 4. Actual user applications will be co sidered ad hoc.
IV/159(a)	Poster, stereo, and coated papers	1. Quota for established importers, per cent. 2. Licences issued valid for nine montl 3. Up to 5 per cent of face value c be used for importing sensitized pap (for taking blueprints, etc.). 4. Up to 10 per cent of face value c be used for engineers' drawing pap (90 per cent rag content) and blotti paper made of rags and wood pulp. 5. Actual user applications from de manufacturers will be considered on hoc basis.
IV/159(b)	Filter paper	1. Quota for established importers per cent. 2. Licences issued valid for six montl 3. Up to 10 per cent of face value c be used for importing extracti thimbles and filter pads. 4. Ad hoc consideration for actual use
IV/160	Packing and wrapping paper	1. Quota for established importers, per cent. 2. Licences issued valid for nine montl 3. Licences not valid for importing kr paper, brown wrapping paper, tiss paper. 4. Ad hoc consideration for greasepr and vegetable parchment paper for tual users.
	WOOD PULP	
V/43	Wood pulp	1. Quota for established importers, r 2. Licences issued to actual users o valid for six months. 3. Actual user applications considered consultation with Development Wing.

The only domestic supplier of newsprint was the government-operated mill at Nepa. Based on salai wood and bamboo, it came into production in 1955 with a rated capacity of 30,000 tons but production in 1960 had reached only about 2,500 tons.

The Five Year Plans have severely restricted imports so that the paper supply has remained limited. At the same time, increasing population (the 1961 census gave a total of 436 million compared with 351 million in 1951, an increase of 2.15 per cent a year), and the rise in literacy which the Five Year Plans have encouraged, continue to exert strong pressure for increasing the requirements of paper. The demand is expected to rise by 8 to 10 per cent a year.

It is against this background of steadily increasing demand that India has projected her target for paper under the Third Five Year Plan. By 1965-66 she hopes to be producing 700,000 tons of paper and paperboard, 120,000 tons of newsprint, and 100,000 tons of dissolving pulp for rayon manufacture.

INDIA'S IMPORT LICENSING POLICY FOR PAPER, NEWSPRINT, AND WOOD PULP, APRIL-SEPTEMBER, 1961

(ITC No.)	Item	Policy
	NEWSPRINT	
44	White printing paper containing not less than 70 per cent wood pulp	1. Quota for established importers, nil.
		2. Licences issued valid for 12 months; only actual users are eligible.
		Entitlement of actual users (publishers of newspapers and periodicals) calculated in consultation with Registrar of Newspapers for India on basis of page area, average number of pages in 1957, regularity of publication, and circulation during 1959. On this, a 10 per cent cut will be imposed which should be made up by production at Nepa Mills. Those entitled to less than 100 tons a year are not subject to this cut.
		Those whose entitlement exceeds 100 tons a year will be given licences to meet one third of their requirements (after the 10 per cent cut) from free sources. Remainder must be imported from rupee-payment sources—U.S.S.R., East Europe and Scandinavia.
		Requests from actual users for additional newsprint because of increase in circulation during the previous licensing period (October 1960 to March 1961) considered on ad hoc basis.
		Requests from new newspapers that come into existence during the licensing period 1961-62 will be considered, but for the initial three months they must draw their supplies from Nepa Mills.
		Publishers of books (except textbooks) not granted import licences.
	PAPERBOARD	
45-A	Paperboard	1. Quota for established importers, nil.
		2. Licences issued to actual users only valid for nine months.
		3. Actual user applications considered on ad hoc basis if from essential consumers.
		4. Import of ivory boards, fine boards for greeting/invitation cards, strawboard, millboard, cardboard, grey board, single-faced corrugated boards not permitted.

Plan Targets

To achieve these targets, additional licences have been issued for plant construction; these would provide a total listed capacity of 1,145,000 tons in paper and paperboard, as follows: present capacity 410,000; expansion of existing units 142,000; 18 new large units 369,000; 83 new small units 224,000.

The Government has approved two schemes for the establishment of newsprint mills with a capacity of 100 tons a day each, and the Nepa Mills also plans expansion. Licences have been issued for schemes that will provide capacity to produce 240,850 tons a year of dissolving pulp. However, experience has shown that listed expected capacities based on licensing statements are not necessarily realized since there is often delay in or failure of fulfillment.

Raw Materials Scarce

One of the most serious problems confronting paper producers in India is the inadequate supply of raw materials. Bamboo has been the major source of cellulose and it is the only raw material found suitable for dissolving-grade pulp. However, all available sources of bamboo are reportedly earmarked for existing pulp and paper schemes and increasing interest is consequently being shown in the use of bagasse. Annual production of this material from the sugar factories is about 3.75 million tons on a bone-dry basis. The heavy demands on India's rail transport have also created some difficulty in the supply of raw materials.

Paper and paper products and pulp are subject to strict import control. Measures for the latest announced period—April through September 1961—are summarized in the accompanying table.

Latest figures show that in 1959 newsprint imports totalled 73,000 short tons. The main sources were Finland 20,650 tons, the U.S.S.R. 16,750, Communist China 7,400, Sweden 6,250, Poland 4,900, Norway 3,750, West Germany 3,200, Austria 3,300, and Canada 2,800.

About 69,000 tons of sulphite wood pulp were imported during the same period, of which Sweden supplied 30,000 tons, Canada 16,000, the United States 10,000, and Finland 6,550. Imports of chemical wood pulp other than sulphite totalled 91,250 tons, of which Sweden was the main supplier with 51,250 tons.

One of the largest import bills arising from the expansion of the paper trade is for machinery and equipment; over the past ten years this has totalled about $46 million, with imports running up to $6 million a year.

Because of this exchange loss, licences have been issued for the manufacture in India of pulp and paper machinery and a number of firms are in course of planning and constructing plants for this purpose. Plans include the manufacture of felts, wires, and other such equipment, and also heavier machinery.

What with India's strenuous efforts to attain self-sufficiency and her need to conserve foreign exchange, the prospects for paper imports remain uncertain. However, unless there is a marked increase in the supply of local pulp, it is difficult to escape the conclusion that some of the long-term needs will have to be furnished through imports.

Readers who would like to have production statistics for paper and paperboard in India 1948-19[illegible] and a list of the Indian pulp and paper manufacturers and their products, should write the Chief, Forest Products Division, Commodities Branch, Department of Trade and Commerce, Ottawa.

BUSINESSMAN'S BOOKSHELF

1961 Canadian Trade Index

Canadian Manufacturers' Association. 1,146 pages. $15.00.

THE Canadian Trade Index has been known since 1900 as the complete guide to Canadian manufacturers and their products. It lists alphabetically and in both English and French all Canadian manufacturers, and their branch offices, factories and export representatives. In addition, their products are listed alphabetically. One section is devoted to export methods and services and describes the assistance offered by the Canadian Government and by the Canadian Manufacturers' Association to exporters.

This reference book, already well known to Canadian businessmen, should prove particularly helpful to newcomers in foreign trade.

Order from: The Canadian Manufacturers' Association, 67 Yonge Street, Toronto, Ontario.

Commonwealth Trade 1959-1960

Prepared by the Intelligence Branch of the Commonwealth Economic Committee. 74 pages. 35 cents.

WITH world interest focussed increasingly on the Commonwealth in recent months, this study assumes importance for its detailed analysis of the trade performance of the group in 1959 and 1960. Part I explores in general terms trade within the Commonwealth and trade with the rest of the world; special sections are devoted to trade with the United States, with Western Europe, and with Eastern Europe, Communist China and Japan. In Part II the trade of each of the Commonwealth countries is examined individually. In the Appendix a series of tables provides supplementary statistics.

Order from: The Queen's Printer, Ottawa, Canada.

Commerce and Industry in Kenya, 1960

The Ministry of Commerce and Industry. 104 pages. Free.

THIS annual review of Kenya's economic situation offers, like its predecessors, a wealth of statistical and factual information. The foreword, written by Dr. J. [illegible] Kiano, the country's first African Minister for Commerce and Industry, stresses the need for foreign support for Kenya's industrial and commercial development.

Any Canadian interested in investing in Kenya will find the business and economic situation well described

n this booklet. Chapters dealing with the financial ystem, investment of foreign capital, employment and abour, industrial development, communications and he main industries are concise and informative.

The Canadian exporter will no doubt discover that he sections dealing with price controls, import and xport licensing, overseas trade statistics, exchange ontrol and balance of payments are of particular nterest. The Appendix contains a complete listing of ll Kenya's imports (with quantity and value) for he year 1959.

The booklet includes a map of Kenya's agricultural nd industrial areas and is interspersed with many hotographs.

rder from: Crown Agents' Representative, 3100 Mas-chusetts Ave. N.W., Washington 8, D.C.

he Europa Year Book 1961, Volume 1

uropa Publications Limited. 1,226 pages. $25.00.

HIS annual publication provides an astonishing mount of information on the countries of Europe, cluding the U.S.S.R. and Turkey. It includes eco-omic and statistical data, and details on the constitu-on, government, political parties, legal system, religion nd education. There is also a directory section for ach country giving names, addresses, and other useful cts about newspapers and periodicals, publishers, dio and television, banks, insurance companies, hambers of commerce, trade associations, trade nions, airlines, railway and shipping companies, arned societies, research institutes, libraries, museums nd universities.

In addition there is a valuable guide to such inter-ational organizations as the Common Market, EFTA, uratom, NATO, GATT, FAO, ILO, etc.

A companion volume will deal with Africa, the mericas, Asia and Australasia.

ublished by: Europa Publications Limited, 18 Bedford quare, London, W.C.1.

irectory of the State of Singapore 1960-61

he Diplomatic Press and Publishing Co. 168 pages. 30 shillings.

HE first half of this Directory contains articles on ngapore's geography, population, climate, govern-ent, industrial development, trade, banking, transport d communications, along with an outline of immigra-on requirements and other information useful for the sitor. The Directory is illustrated and contains a tailed map of Singapore.

The second half consists of a brief trade index of ms listed alphabetically and according to types of erations.

The same firm issues similar directories for other countries, including Nigeria, Ghana, and the Sudan.

Order from: The Diplomatic Press and Publishing Company, 13 Cotswold Gardens, London, N.W.2.

Economic Development in the Commonwealth

United Kingdom Information Service. 134 pages. Free.

THIS booklet, revised as of August 1960, gives a help-ful survey of the economic developments in each Commonwealth country. Its value lies mainly in in-forming the businessman about the scope of economic activity in each.

It is divided into three chapters. The first sum-marizes the productive resources of the Commonwealth as a whole and their rôle in world economy; it also gives the Commonwealth proportion of world output in agricultural products, minerals and manufacturing. The second chapter records the more important de-velopments in individual countries and territories, and discusses the agricultural, mineral, fuel and power, manufacturing and transport developments in each area. The countries surveyed are the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon, Ghana, Federation of Malaya, Fed-eration of Rhodesia and Nyasaland, and the United Kingdom Dependencies.

Chapter three outlines the use of internal finance in this development. For a businessman who is not fully informed on the mysteries of international finance, the clear approach adopted in this summary will be particularly helpful.

Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ontario.

How to Get Help with Export Documentation

By J. V. Horne. 10 pages. 50 cents.

Review of Export and Import Practices

By J. V. Horne. 36 pages. $1.00.

ANY trader who has ever had difficulties with the mechanics of a foreign transaction will find these two booklets an invaluable guide.

The first provides an up-to-date and extensive list of publications and agencies that keep the reader posted on documentation procedures and requirements in foreign trade.

The latter reviews customs procedures (both Cana-dian and those of other countries) for commercial ocean freight and rail export and import shipments. Permit regulations, marking requirements, agency representation, transportation insurance, samples, draw-backs, etc., are covered in concise detail.

Order from: Canadian Manufacturers Association, 67 Yonge Street, Toronto 1, Ontario.

96689-5—3

Swiss Watch Industry Faces New Times

An old and respected industry takes new steps, under changing conditions, to keep its position as the world's foremost watchmaker.

MAX MEISTER, *Office of the Commercial Counsellor, Berne.*

THE manufacturing of watches is an ideal industry for Switzerland. It requires comparatively little raw material (which Switzerland has to import), great skill, and precise workmanship. Until recently Switzerland was producing more small-sized watches than all the other countries of the world put together.

The industry depends heavily on export trade; 97 per cent of its output is sold abroad. In 1959, Switzerland exported watches worth 1,124.6 million Swiss francs, or 15.5 per cent of all Swiss exports. In 1960, watch exports reached 1,167.5 million francs—again 15.5 per cent of total exports. The United States is the best customer but Swiss watches are to be found all over the world. In 1959, exports to Canada reached Sfr.16.7 million, or 1.5 per cent of all Swiss watch exports; they accounted for 11.5 per cent of all goods purchased b Canada from Switzerland. In 1960 the figure was Sfr.16.5 million, o 1.4 per cent of Swiss watch export and 11.6 per cent of all Swiss ex ports to Canada.

Workers in the factory of Reusser SA, at Bevilard, near Berne, make watches and watch movements that are sold almost exclusively to one Canadian company.

One of the characteristics of th Swiss watch industry is its special ization. In 1955 there were 3,15 factories employing an average c 20 persons. In some parts of th country, up to 30 per cent of th work force is directly or indirectl connected with watch manufactur There are some factories that pr duce mainly for the Canadian ma ket and their agents and representa tives in Canada have become know to and esteemed by the authoriti and business community of man a small Swiss town and village.

The Chamber Organized

Attempts to organize the watc industry began in 1876 with th founding of the Société Intercan tonale des Industries du Jura, lat to become the Chambre Suisse d l'Horlogerie. The Chamber sti dominates all professional organiza tions in this field and works in clo contact with the public administra tion.

Between 1921 and 1924 th Chamber was instrumental in settin up special organizations for th three main branches of the indust —rough watchworks, parts, a watch assembly. In 1928 the thr groups agreed to restrict the expo of rough watchworks and parts favour of increasing exports finished watches. It was decided prevent the establishment of wat factories abroad and the export watchmaking machinery and equi ment. This agreement was later r placed by a collective conventi which went even further, regulati purchase and sale, price and expo A supervisory organ was esta lished for the whole watch industr

Decree Controls Manufacture

To prevent competition from fa tories that had not signed the co vention, the super-holding co

pany "ASUAG" was formed to acquire control of all the industry's component-part manufacturers. However, ASUAG was not able to prevent the founding of new enterprises, a fact which led in 1934 to a government decree making it necessary to obtain a permit to establish a watch factory, to increase the number of workers, or to extend or transform an existing plant. Export permits were instituted, first for watch parts only and later for watches as well. The 1934 decree was replaced in 1951 by the "watch statute", drawn up along similar lines.

(The manufacturers of the simpler and less expensive Roskopf watches form a separate association that does not belong to the convention. However, the bylaws of this association are equally rigid.)

For a long time the Swiss quality watch had undisputed first place in world markets. However, in recent years new and modern factories have sprung up in other countries. They operate with the most modern machinery and equipment and a high degree of mechanization and rationalization.

The Convention Challenged

At first these new developments had no effect on the Swiss watch industry and it did not seem necessary to change an organization that had worked so well for so long. But upon it was realized that the convention was too rigid to meet changing conditions. Its renewal in 1958 brought certain alleviations, particularly in the fixing of prices. It now became possible to change prices according to market conditions, costs of production, and technical improvements at the factories. But the problem of competing with foreign enterprises persisted. The convention, designed to protect medium-sized and small enterprises, did not permit a rational employment of all production factors. In the face of rapid technical and economic change the whole structure lost its usefulness.

The industry has also lagged in the field of research. It is true that watchmakers are continuously bringing out new models, especially in the higher-priced categories, but a period of great prosperity and a sense of tradition have prevented any extensive research. The success of foreign manufacturers is showing clearly that a more dynamic approach is needed, together with a better co-ordination of efforts.

The economic integration of Europe also raises problems for the Swiss watch industry. Switzerland is an EFTA member and the proposed liberalization of imports and exports will affect her watch business. The Common Market countries, which in 1959 absorbed 16 per cent of Swiss watch exports, have adopted a common customs tariff discriminating against goods from non-members. Furthermore, Switzerland must contemplate the possible integration of EEC and EFTA in one great market with open competition.

New Moves

The Swiss watch industry is well aware of these problems. In 1959, discussions took place between watchmaker associations of Switzerland, West Germany, France and the United Kingdom, aimed at better understanding and closer contacts. A common European watch agreement may therefore be expected. In 1960, quality control on a voluntary basis was introduced as the first step towards compulsory controls that would protect the good name of the Swiss watch. Some factories have also installed new and automated production lines.

The expiration of the watch statute at the end of this year will provide an opportunity for a new approach, with greater liberalism and freer competition, although it will not exclude a certain solidarity in order to maintain the industry's position in world markets. On this basis, Switzerland may well retain its first place among the world's watchmakers. ●

Tobacco in New Zealand

THE tobacco manufacturing industry of New Zealand consists of four companies turning out $21.1 million worth of cigarettes and other tobacco products. Although domestic tobacco production of more than seven million pounds in the 1959-60 season was the highest ever (and a 59 per cent increase over 1956-57), it accounted for only 32 per cent of the industry's raw material.

Domestic growers are protected and encouraged by Tobacco Board regulations which provide that manufacturers must take up at least 30 per cent of the domestic leaf before they are permitted to import. During the last season, ended July 21, 1960, 32½ per cent of all leaf used was domestic leaf and about 68 per cent was imported, more than 90 per cent of it from the United States. Imported tobacco, by the way, is exempt from licensing this year.

Preliminary figures show that New Zealand imported almost 6.5 million pounds of leaf in 1960, valued at $4.83 million. After the United States, Rhodesia is the second most important source of supply, with exports growing from 350,000 pounds in 1958 to 430,000 in 1959 and doubling to 892,000 pounds in 1960.

It should be noted that there is a high import tariff of $0.521 per pound on unmanufactured tobacco used for making cigarettes (no duty is levied on unmanufactured tobacco used for cigars) which widens the price differential between domestic and imported leaf.

Our Trade Commissioner in New Zealand reports that apparently no Canadian leaf entered New Zealand in 1960, although 78,502 pounds (worth approximately $65,800) of Canadian leaf were imported in 1959.

New Zealand's domestic production is expected to increase each year until it supplies half of the total tobacco used. However, it probably will not supply much more than 50 per cent of the raw leaf that the industry requires. There is ample opportunity, therefore, for Canadian tobacco growers to obtain a share of the market and to hold it for many years to come—provided, of course, that the price and quality of the Canadian leaf are competitive with other sources.

—W. J. COLLETT,
Assistant Commercial Secretary, Wellington.

96689-5—3½

F. IAN WOOD, *Vice Consul and Assistant Trade Commissioner, New York.*

How to Sell the United States Lumber Buyer

Could Canadian exporters increase their lumbe and wood product sales in the U.S. Mid-Atlanti states? Our New York Office sent out a compre hensive questionnaire to local buyers and dis covered we could do more to sell more.

"MUCH of the loss of business that Canadian pro ducers selling in the mid-Atlantic seaboard states hav suffered can be attributed to the supplier's indifferenc to or seeming lack of interest in the needs of th customer."

Observations like this one are heard only too ofte by the Commercial Division of the Canadian Consulat General in New York. In several known instance lack of personal contact, neglected correspondence, o failure to follow up has meant the loss of substantia orders. The growing number of complaints of thi nature has led us to conclude that Canadian lumbe exporters are losing potential customers for want o advice on what lumber buyers expect in the way o service. Accordingly, the New York office recentl undertook to solicit the views of some 200 wholesaler retail wholesalers, commission agents, brokers an manufacturers in New York, New Jersey and Connecti cut. By getting the local trade to outline past difficultie and define its requirements, we might help Canadia lumber exporters to make a fresh approach and ensur better service and increased sales. We asked ten basi questions and a statistical breakdown of the answer we received is presented below.

1. Do you receive direct offerings regularly from Cana dian lumber exporters?

	Yes	No
Wholesalers	35	11
Retail wholesalers	3	3
Commission agents	4	4
Brokers	2	2
Manufacturers	5	11
	49	31

Next, we asked how many offering sheets we received regularly.

	1-5	5-10	Over 10
Wholesalers	17	9	12
Retail wholesalers	1	2	
Commission agents	3		1
Brokers	1	1	
Manufacturers	3	2	
	25	14	13

Canadian suppliers, then, are not making a co certed effort to keep wholesalers, the big purchaser posted. "Keep us informed regularly about stocks ar prices" was a frequent marginal note to the questio

The fact that buyers are anxiously seeking more offers is clearly shown in answers to the next question.

2. Would you like to receive more direct offerings?

	Yes	No
Wholesalers	46	1
Retail wholesalers	10	1
Commission agents	5	2
Brokers	7	
Manufacturers	10	2
	78	6

Previous inquiries in our office territory led us to believe that Canadian producers are not keeping in personal touch with their outlets. The response to question three confirmed our suspicions.

3. How often do you receive visits from representatives of Canadian lumber exporters?

	Regularly	On occasion	Seldom or never
Wholesalers	22	7	22
Retail wholesalers		1	7
Commission agents	2		5
Brokers	1		3
Manufacturers	1		15
	26	8	52

One firm in New Jersey remarked that a representative of a Canadian producer had not called on him in eight years! On the other hand, thirty out of fifty wholesalers who were asked whether a representative of their firm had visited a Canadian plant or wholesaler in 1960 answered "yes".

4. Do you have a regular buying connection with a Canadian supplier?

	Yes	No
Wholesalers	42	20
Retail wholesalers	4	5
Commission agents	4	4
Brokers	4	2
Manufacturers	8	12
	62	43

Of the wholesalers who replied "yes" to this question, only 17 claimed to represent a Canadian mill. Several others expressed interest in making permanent contact with a source of supply.

Each year the Commercial Division of the Canadian Consulate General in New York mails lists of Canadian lumber suppliers to the trade in the area. The lists are prepared by the Forest Products Division, Department of Trade and Commerce, and contain the names and addresses of Canadian suppliers and the species each wishes to export.

5. Are the lists of Canadian lumber exporters sent you by this office useful?

	Yes	No
Wholesalers	58	5
Retail wholesalers	7	1
Commission agents	9	1
Brokers	1	1
Manufacturers	15	
	100	8

We learned that some 18 firms had established new connections as a result of these lists. Asked whether they wanted revised lists from time to time, their answer was almost unanimously "yes".

6. Are you familiar with all the commercial woods of Canada, their specifications and principal uses?

	Yes	No
Wholesalers	28	20
Retail wholesalers	4	3
Commission agents	4	2
Brokers	1	3
Manufacturers	9	6
	46	34

We then asked whether they would like to receive promotion literature on Canadian woods.

	Yes	No
Wholesalers	45	3
Retail wholesalers	6	1
Commission agents	7	
Brokers	3	1
Manufacturers	11	2
	72	7

"Exactly what we've always wanted", "Should have been done years ago!" were some of the comments on this suggestion.

Such enthusiastic response indicates a definite need for promotion literature among local lumber buyers. Several wholesalers were at pains to emphasize the importance of providing more information on grading rules for lumber and technical data on all aspects of wood utilization for distribution among their customers.

7. Do you believe that more active promotion in your area on the part of Canadian lumber exporters would result in increased sales?

	Yes	Questionable	No
Wholesalers	36	2	14
Retail wholesalers	8	2	2
Commission agents	4	1	1
Brokers	3		
Manufacturers	4		3
	55	5	20

Those who answered "yes" were asked to indicate under suggested headings the type of campaign that would be most effective.

	More Personal Calls	More Offerings	Promotion Pieces	Trade Paper Advertising
Wholesalers	30	10	8	7
Retail wholesalers	6	4	2	1
Commission agents	2	1	1	1
Brokers	2	1	3	2
Manufacturers	5	2	2	
	45	18	16	11

"We believe an active sales promotion program should be spearheaded by more personal calls from home office personnel, at least until contacts are firmly established." This view was shared by the majority of the trade. Time and time again this method has proved the most effective way to initiate business and ensure a continuing and profitable relationship. We recommend it as an important step toward furthering sales of Canadian lumber and wood products in this area.

8. Are the prospects in your area for Canadian lumber and wood products this year better than in 1960?

	Yes	Same	Uncertain	No
Wholesalers	18	23	2	5
Retail wholesalers	5	2		
Commission agents	2	2		1
Brokers	3	1		
Manufacturers	5	3	2	
	33	31	4	6

9. What is likely to be the most important factor affecting sales of Canadian lumber and wood products in 1961?

	Price	Quality	Housing Starts	Business Conditions	Availability of Mortgage Money
Wholesalers	37	6	8	4	2
Retail wholesalers	2	1		2	1
Commission agents	3	1			
Brokers	1	1			
Manufacturers	7			1	1
	50	9	8	7	4

Will you purchase a greater percentage of your lumber requirements from Canada this year than last? Twenty-six per cent said "yes", 18 per cent thought they would purchase a like volume, 47 per cent were uncertain, and 9 per cent felt their Canadian requirements would be below the 1960 level. Price was again cited as the chief determining factor.

10. Do you purchase your Canadian lumber from a mill, Canadian wholesaler, local wholesaler, local broker, or commission lumber salesman?

	Mill	Can. Wholesaler	U.S. Wholesaler	U.S. Broker	Commissio[n] Lumber Salesman
Wholesalers	41	23		1	2
Retail wholesalers	2	2	1		1
Commission agents	4	1			
Brokers	3	1	1		
Manufacturers	8	2	2		
	58	29	4	1	3

We were also anxious to have the view of the trad about its relationship with Canadian suppliers. Of th 72 firms who volunteered opinions, 50 replied, "entirel satisfactory". Twenty-one agreed their associatior were "satisfactory", and only one firm felt its busines relationship warranted a "fair-poor" rating. Critic comments were levelled at suppliers who failed t maintain a personal relationship through periodi visits or who neglected to follow up routine corres pondence.

What Canadians Can Do

The results of the survey show that the Canadia lumber exporter can increase his sales in this area he carries a carefully planned sales program full circl from initial contact to final sale to periodic follow-u They also suggest ten steps to success that should b adopted to assure a favourable reception by the loc trade:

1. Circulate regular offering sheets, with prices, widely and as often as possible.

2. Wherever possible, follow up initial inquiries l personal visits to prospective customers.

3. Repeat visits to your customers as frequently market potential and development of sales warrant.

4. Don't renege on orders—alibis won't win custome

5. Maintain quality standards.

6. Ship on schedule for the promised delivery date.

7. Follow up promptly on all correspondence.

8. Distribute promotion literature and technical da on all commercial woods you have for sale to whol salers and retail salesmen.

9. Co-ordinate advertising in trade journals and pr motion efforts with distribution efforts; make advert ing allowances to retailers.

10. Keep in touch with all prospects and keep pro pects in touch with your services.

The buyer in the mid-Atlantic states is receptive; t Canadian lumber exporter might well exploit t favourable situation to the fullest. ●

Advertising Abroad

n India, a nation of movie-goers, film slides and shorts each millions of potential customers, particularly for toilet ırticles, food products, and home furnishings.

BERNARD HORTH, *Assistant Commercial Secretary, New Delhi.*

VITH a population of 438 million ow and an annual increase ap-roaching ten million, India should ome day be one of the world's reat markets for consumer and in-ustrial goods and hence for adver-ising services. That day lies some istance in the future, despite the rogress made in the past decade nder the Five Year Plans. The olume of advertising is none the ess growing steadily as the indus-rial complex burgeons and incomes ise. On the other hand, illiteracy nd extreme poverty place at least 0 per cent of the population be-ond the reach of sophisticated ad-ertising and the products and ser-ices it normally promotes. In the vords of an Indian advertising xecutive, what is needed in this ountry is a language of advertising hat will reach the masses who live ı India's half-a-million villages. here, only the spoken word and he live demonstration are truly ffective at present.

To reach the still large public epresented by the relatively pros-erous minority, India's seventy-dd fully accredited advertising gencies use most of the media mployed in more advanced econ-mies. Press and cinema advertising re, however, the principal forms.

anguage Problem Difficult

Language diversity is the major roblem facing Indian advertisers. overnment advertising is done in all of the 14 major languages. Commercial advertising must be done in most of the languages—with variations, of course, for different products and services. The working language of advertising in India is English and nearly all copy is done first in this and then translated into the vernaculars. Translation adds to costs and creates many problems of meaning and interpretation.

Indian agencies must also be more self-contained than elsewhere because there are no professional models in this country and very few free-lance artists and photographers. Thus the agencies must do all or most of their own artwork and photography. Photographic materials are expensive and in short supply.

Press Advertising

There are more than 7,000 newspapers and periodicals published in India. From an advertising point of view, the most important are the half-dozen or so leading English dailies. The weekly press is little developed; any real advance will probably be delayed until better printing machinery and paper become available. At a rough estimate, total press circulation approximates 20 million; there are only six or seven publications with a circulation exceeding 100,000. Advertising rates are much lower than in North America. For the leading English dailies, rates range from Rs.20 to Rs.45 per column inch, depending on location and amount of space covered. They are considerably lower for the vernacular newspapers and the business weeklies.

Cinema Advertising

Cinema advertising is running the press a close second and may eventually surpass it. Movies are the major form of mass entertainment in India and an estimated 20 million Indians go to the movies every day. India is, in fact, the world's second largest producer of feature films. Screen advertising takes the form of both slides and movie shorts, with the latter rapidly gaining the ascendancy. All kinds of products are advertised in this way but toilet articles lead, followed by food products and home furnishings. Indian cinemas are divided into three classes and advertising charges for movie shorts might range from Rs. 0.75 per foot per week in a C class theatre to Rs.1.15 in an A class.

Other Media

Radio advertising is prohibited in India; formerly Indian advertisers made good use of Radio Ceylon but with the current foreign exchange shortage it may now be used only where export promotion can be proved. Direct mail advertising is generally reserved for products and services of interest to those in the middle income bracket and higher. A technique particularly well suited to India is the dispatch into the villages of vans equipped with loudspeakers, demonstrators, leaflets and samples.

Outdoor billboards (or hoardings, as they are called in this coun-

try) are in general use. Because of the high cost of paper and printing services, they are all hand-painted on metal. Billboard rates range from Rs.150 to Rs.200 per month. Other visual display material—such as posters, showcards, leaflets and window displays—is also used. Because Indian shops tend to be small and crowded, shelf-edge strips are more popular than window displays and showcards.

Canadian firms have done little advertising in India in recent years as business opportunities have dwindled because of stringent import controls. When conditions improve, they will find a well-developed Indian advertising service ready to assist them in making export sales. ●

Foreign Corporate Names

What do the abbreviations found after the names of companies in other countries mean? For example, what does AG or GmbH stand for in a German corporate name, or SA in an Argentine or a Belgian one? Some of the more important of these terms are listed and explained in the following table reprinted from *Investor's Reader* of June 21, 1961, with the permission of the publishers, Merrill Lynch, Pierce, Fenner & Smith, New York City.

ARGENTINA

SA—*sociedad anonima.* No firm (personal) name; transferable shares; at least ten incorporators.

SRL—*sociedad de responsabilidad limitada.* No more than 20 "partners" (25 in some cases); restricted transfer of ownership; not dissolved by a partner's death.

SACI or SAIC—*sociedad de capital e industria* (company of capital and industry). One partner contributes capital and another his labour; only latter's name may appear in firm name.

AUSTRALIA

Ltd.—*limited* (liability company). At least two directors (three in New South Wales) and five to seven "members" (stockholders).

Pty Ltd—*proprietary limited.* Limited liability; closely held; restricted transferability of ownership; maximum 50 members (20 in Western Australia); public subscription prohibited. (But Broken Hill Proprietary Limited, the leading Australian steel company, was founded before the Companies Act of New South Wales was passed and was allowed to retain "proprietary" as part of its name.)

NL—*no liability.* Mining company in which shareholders are not rquired to pay calls for additional capital after original subscription of 5 to 10 per cent of par value of shares; their shares would then be forfeited and sold at public auction.

BELGIUM

SA—*societe anonyme* (see France). At least three directors and seven registrants; one-fifth of each share price must be paid in; par or no par stock; at annual meeting, no stockholders may vote over one-fifth of shares outstanding or two-fifths of shares represented at meeting.

SPRL—*societe de personnes a responsabilite limitee* (company of persons with limited liability). Liability limited by shares to amount of subscription; minimum of two, maximum of 50 shareholders, all individuals; may not be organized for banking or insurance; may not issue bonds.

BRAZIL

SA—*sociedade anonima.* Shareholders liable only for par value of shares; directors have general management power; all must be Brazilian residents.

Ltda—*sociedade limitada por cotas* (private limited liability company). Each partner liable up to total capital of company, not merely for amount he subscribed; may not sell portion ("quota") without consent of others; nominees may be used by a foreign corporation, including its own subsidiaries.

BRITAIN

Ltd—*limited liability company.*

Public company: minimum of seven members and two directors; may issue public shares; liability to extent of subscription; no loans to directors.

Private company: two to 50 members; needs only ɔne director; costs less to form; less publicity required; ransfer of shares restricted; no public subscription for hares or debentures allowed; may make loans to lirectors.

FRANCE

A—*societe anonyme.* Anonymous company not bearng names of principal participants, as French partnerhip would. Minimum seven shareholders; directors nust be shareholders; president and chairman must e same man ("president-directeur general"), elected y board; board of auditors elected by shareholders cts as watchdog.

ARL—*societe a responsabilite limitee* (company vith limited liability). No transfer without consent of najority of stockholders, representing at least threeourths of outstanding shares; chief executive officer "gerant") appointed by majority of stockholders; no irectors, but if over 20 shareholders, a "conseil de urveillance" is required.

GERMANY

G—*aktiengesellschaft* (stock company). Minimum ,000 shares; at least three directors, with one-third epresenting labour; board of directors supervises, oard of managers rules, day-to-day work; stockholders lect directors and managers; stockholders liable only or amount subscribed.

mbH—*gesellschaft mit beschraenkter Haftung* (comany with limited liability). Directors not required; bour representation not required unless over 500 mployees; one or more managers; no public reports; ock usually closely held; bylaws may require approval f transfers by other holders; often used as subsidiaries oth by foreign and domestic companies.

ITALY

pA—*societa per azioni* (company [owned] through ock). Minimum capital 1 million lire; balance sheet ust be published.

ARL—*societa a responsibilita limitada* (company ith limited liability). Minimum capital 50,000 lire; alance sheet must be published; transfer of shares ore cumbersome; directors not required.

JAPAN

K—*kabushiki-kaisha* (stock company). Seven incorɔrators; any number of shareholders; at least three rectors; duties much like those in U.S. corporation, tto officers.

K—*yugen-kaisha* (limited liability company). Two more organizers; no more than 50 members; may vote against transfer of membership interest to outsider; may waive annual meeting by unanimous written consent; minimum one director.

MEXICO

SA—*sociedad anonima.* At least five shareholders, one or more directors; 25,000 pesos minimum capital.

SdeRL—*sociedad de responsabilidad limitada.* No more than 25 members; shares not negotiable; at least three-fourths of members must consent to any transfer of interest; one or more managers; minimum 5,000 pesos capital.

NETHERLANDS

NV—*naamloze vennootschap* (nameless company). No minimum capital unless listed on Amsterdam Stock Exchange; has board of directors and a managing board, both elected by shareholders.

SOUTH AFRICA

Ltd or Bpk—*limited or beperk.* Liability limited to the amount, if any, of unpaid subscription on stock.

Pty Ltd or Edms—*proprietary limited or eiensdoms.* Private company in which trading of interests is restricted; maximum of 50 members; no public subscription of shares or debentures.

SWEDEN

AB—*aktiebolag* (stock company). Three incorporators; minimum capital 5,000 kroner ($965); at least three directors, of which one-third at most may be foreign.

SWITZERLAND

AG or SA—(see Germany and France). Three organizers but needs only one stockholder; one or more directors; board of managers.

GmbH or SARL—(see Germany and France). Two founders; no negotiable certificates; one or more managers; rarely used.

UNITED STATES

Inc.—*incorporated.* This means that the firm is a corporation under specific or general state or federal legislation. Liability is usually limited to shareholder's agreed investment. "Ltd." is in use in some states.

Co. Inc.—company can be used in the United States to denote a partnership. The added "Inc." means that incorporation has given the firm limited liability status (although in some cases it may still be a partnership or a privately held company). ●

Malaya Begins New Five Year Plan

Early this year the Federation began work on its Second Five Year Plan; its emphasis on the opening of new agricultural land, improved services and diversified industry should mean better markets, now and in the future, for Canadian products and skills.

KEITH O. HILLYER, *Assistant Trade Commissioner, Singapore.*

MALAYA successfully completed its First Five Year Plan in 1960 although some targets were not met because of the extra financial and administrative burdens of the struggle with Communist insurgents. Over the five-year period, gross investment reached $1,000 million, or almost 12 per cent of total income. Industrial employment rose to 145,000 in 1960 from 133,000 in 1955, in spite of the fall in employment in Malaya's traditional handicraft industries. In the Federation's largest industrial estate, Petaling Jaya, more than 150 factory lots were sold and over 80 new factories are now in operation; they are producing such varied commodities as pharmaceuticals, biscuits, plastic goods, canned milk.

Although tin production was curtailed during 1958 and 1959, iron ore output rose rapidly. Exports of iron ore in 1960 totalled more than 5.5 million tons as opposed to only 1.5 million in 1955.

In agriculture, the Federation's objective in the First Plan was to assist rubber producers in carrying out a tremendous replanting program, replacing over-age and low-yielding trees with high-yielding varieties. Over 765,000 acres were thus replanted and 165,000 new acres added. About 46 per cent of total acreage is now planted in high-yielding trees. Irrigation facilities were expanded and 30,000 acres of virgin jungle opened to agriculture.

Transportation facilities were expanded; 30 million dollars went into improving and building roads and bridges and road mileage increased by 10 per cent to an estimated 6,995 miles. The Malayan Railway completed the first phase of its dieselization program and more than half of total engine mileage is now run up by diesel locomotives. A new ferry terminal and four new ferry vessels were put into operation at Penang.

Installed electrical generating capacity rose from 297,000 to 392,000 kilowatts. Construction began on the hydroelectric scheme in the Cameron Highlands—the first stage is to be in operation by 1963. Social services, particularly education, advanced significantly, though the stringent economic measures introduced because of the Communist insurrection hampered this program.

Economic planners consider the Federation's economy sound but certain trends may cause difficulties over the long term. As in most of South Asia, the population increase itself forces the pace of economic growth merely to maintain current living standards. In the Federation the population expands by more than 3 per cent a year, which means there will be 340,000 new workers for whom employment must be found over the next five years. This rapid growth is felt most of all in rural areas where the full effects of industrial expansion under the Five Year Plan are not yet apparent. In many parts of the country, there is still overcrowding, low living standards and inadequate consumption. Finally, there is the threat to the economy posed by dependence on export earnings from natural rubber. At present natural rubber accounts for over 25 per cent of national income, nearly 30 per cent of total employment, and 60 per cent of all exports. With the increasingly effective competition from synthetic rubber, natural rubber prices are expected to drop to lower average levels than in the past and this could jeopardize the growth of the economy unless it is rapidly diversified.

Principal Objectives

In general terms, the objectives of the current Five Year Plan (1961-65), introduced in April, are to:

- Raise the economic level of the population, particularly in rural areas.
- Provide employment for all of working age.
- Diversify the economy and thus protect it from the effects of possible decline in natural rubber prices.
- Expand and improve social services.

To accomplish these objectives, an estimated $718 million in gross public investment will be needed over the next five years—over twice the actual public investment during the past five. The Government estimates that, in addition, about $967 million will be required in gross private investment, an increase of 40 per cent over private investment attracted during 1956-60. Details of how the public investment will be spent are given below.

Agriculture and Fisheries

Opening Up Jungle—The Federal Land Development Authority will spend nearly all the $182 million allocated to agriculture and fisheries in settling 24,000 families on new land reclaimed from the jungle. Each will have a 10-acre holding.

Rubber Replanting—Replanting scheme will continue. Area replanted with high-yielding varieties will reach 65 per cent of total acreage by 1965, from present 46 per cent.

Irrigation Projects—300,000 new acres to be drained and irrigated, mainly for paddy rice cultivation; of this, 200,000 acres will be opened by development of the Muda River catchment on the North Kedah plain.

Other Projects—Rehabilitation of coconut plantations; expansion of animal husbandry; development of rural agricultural and fishing co-operatives to improve processing and marketing facilities; enlarged research facilities; establishment of eleven dairy colonies close to urban centres, with fenced grazing land sown with special fodders. The first colony, announced in July, will be at Batu Arang near Kuala Lumpur and will have 1,000 head of cattle on 1,300 acres of pasture.

Transportation, Communications

Roads—Over $63 million will be spent on roads, $30 million of it on rural roads, adding 1,000 miles to the rural network.

Dieselization—$6.7 million will help to continue the changeover to diesel locomotives and railway cars.

Ports—Completion (costing $12 million) of the $14-million Port Swettenham improvement project which will increase deepwater berthing facilities there so that 2.2 million deadweight tons a year can be handled instead of the present 500,000. Work will start in 1963 on six deepwater berths to handle one million tons a year on the mainland at Butterworth, near Penang; allocation is $10 million. Work is scheduled to start in 1963, when Port Swettenham project is completed, and to finish in 1966.

Others—Expanded telephone and postal services; erection of several new medium-wave radio transmitters and external broadcasting service for Radio Malaya; development of a new international airport at Kuala Lumpur.

Utilities, Social Services

Hydroelectric Installations—$44 million toward completion of the 106-megawatt first stage of the Cameron Highlands project of the Central Electricity Board, to be finished in 1963. Preliminary investigations to start on 100-megawatt second stage to be completed in 1970's; whole project estimated to cost $90 million. A 30-megawatt thermal power station at Johore Bahur is to be completed and a 6-megawatt piston-engine power unit plus a 30-megawatt thermal plant at Butterworth near Penang to be built.

Water and Sewerage—$33 million to improve rural water supplies and $10 million for waterworks already under construction in several urban areas. Sewerage to be extended, particularly in George Town, Penang Island, and in Kuala Lumpur.

Social Services—$87 million for education, affecting all levels from primary school to university and teachers' colleges; $48 million to expand medical and public health services; several new urban hospitals and a network of rural health units are planned.

Housing—9,000 new housing units planned for low-income families in urban areas; $3 million allocated for new Parliament Building.

Aiding Industrial Development

The Federation has always endeavoured to foster local industry. Government policy of giving tax relief during the first two to five years of operation, and in some cases granting tariff protection either by exempting duty on raw materials or raising the duty on competitive products has proved a valuable incentive to "pioneer" industries.

Malayan Industrial Finance Ltd.—a lending institution specializing in new and sound industrial ventures will receive $850,000.

Industrial Estates—$2.5 million to create new ones like the Petaling Jaya estate.

Pineapple Canning Industry—$1.7 million for rehabilitation.

The Rural and Industrial Development Authority—$3 million to encourage small-scale enterprises in rural areas.

Financing This Program

Malaya's Second Five Year Development Plans calls for a total investment of $1,682 million, of which $718 million must come from public funds. In estimating the amount available for public investment, economic planners expect a continued rise in government expenditures over the five years but also a constant revenue equal to the amount available in 1960. Even though rubber and tin production will continue to increase in volume, rubber prices will probably move downward and revenue from rubber export duties in 1965 will probably decrease. On the other hand, as the economy progresses and diversifies,

revenue from other sources should increase, thus keeping government revenue at 1960 levels. Government surpluses for 1961 to 1965 should approximate $113 million. An additional $300 million should be available in loans from the Currency Board, Employees Provident Fund, and other planned public savings. About $17 million is expected to be available in grants from Colombo Plan countries and $178 million as loans from other foreign sources. Over one third of this latter amount is at the disposal of the Federation in undrawn balances of loans already granted. The remainder of the funds required ($110 million) could be obtained by borrowing from external balances of the Currency Board or the banks, or by reducing government balances abroad.

Most of the private investment of $967 million can be financed through national savings, even assuming a declining proportion of income saved. Foreign private capital is expected in the amount of $162 million, most of which would come from reinvestment of earnings of foreign enterprises already in operation.

Opportunities for Canadians

There is general agreement that Malaya's economy is sound and that the targets set by the Second Five Year Plan will be met. Although natural rubber fell in price in the first half of 1961, production ha[s] continued to increase. The price o[f] tin has rocketed to record levels. Industrial expansion continues, wit[h] 56 new industries receiving "pio-neer" status. Major foreign investments include the aluminum rollin[g] mill to be built by Alcan Malaya[n] Aluminium Company Limited an[d] the two tire factories planned b[y] Dunlop Rubber Company (Malaya) Ltd. and Malayan Tire Cor-poration; together they expect t[o] produce 2.2 million tires a year. There are opportunities for Canadian firms not only as participant[s] in the projects proposed under th[e] Development Plans but also in th[e] increased consumption that will fol-low their successful completion.

Mexico Trades in Minerals

Greater Mexican control of mining industry may intensify competition for Canada in the U.S. market. Demand for Canadian ores in Mexico should increase as industry expands, and opportunities to sell mining machinery, some metal manufactures should improve.

G. L. GAGNÉ, *Assistant Commercial Secretary, Mexico, D.F.*

MINING has always been one of the mainstays of the Mexican economy. The Aztecs found large deposits of gold and silver and used these for decoration and sometimes as a medium of exchange. Today the industry has lost its predominance in the over-all economy of modern Mexico but it remains one of the principal foreign exchange earners. In the past few years it has experienced difficulties, mainly because of low world prices of metals generally, increased costs of production, and high taxation, both on exploitation and exports. Over-production of lead, zinc and copper and the glutted world market for these metals caused a slowdown in exploration and a lack of incentive to replace obsolete machinery.

Employment in mining has also decreased steadily since 1950, when it gave work to some 100,000. Now the payroll stands at approximately 60,000. Apart from those miners who find steady employment, there have always been small prospectors and exploiters—the "gambusinos". Numbering some 80,000, they are usually poor farmers who follow gold and silver veins in their spare time between crops. They will, however, soon disappear; the Government proposes to enforce strict control on mineral rights and t[o] charge certain fees for exploitatio[n] permits.

Mexico still is the largest worl[d] producer of silver, with a 1960 out-put of 1,370 metric tons. Howeve[r] it is expected that in the next tw[o] or three years Canada and th[e] United States will surpass this coun-try, which has traditionally domi-nated the silver market. Mexico [is] also one of the large producers o[f] lead and zinc and as such is a[n] active member of the UN Inter-national Lead and Zinc Stud[y] Group. In fact, the capital city wa[s] host to the Group last March.

Foreign Ownership Lessened

Until recently, foreign capit[al] controlled approximately 90 pe[r] cent of the Mexican mining an[d] smelting industry. However, wi[th] the passing of a new mining la[w] last February, (see *Foreign Trad[e]* June 3, 1961) Mexican capital [is] now controlling a larger share of th[e]

ndustry. A group of Mexican in-
ustrialists recently acquired control
f two large mining and smelting
omplexes previously owned by
merican Climax of New York.
he newly formed company—
Metalúrgica Mexicana Peñoles, S.A.
—is one of the larger producers of
ad and zinc in Mexico and has
reat plans for expansion. It pro-
oses the construction of a zinc re-
nery with a capacity of 30,000
ons a year, a plant to produce
ulphuric acid, and another one for
rocessing sodium sulphates. In the
tter project, the U.S. company will
e associated as a minority share-
older.

Other groups of Mexican finan-
ers are also planning to acquire
ontrol of the Fresnillo Company,
s the Mexican majority ownership
ntitles mining companies to benefit
om a 50 per cent tax reduction
n exploitation rights. It is expected
hat all mining companies will come
nder Mexican ownership or con-
rol within the next few years.

Although the larger share of for-
ign ownership is in U.S. and
ritish hands, Canada has some
terest in the Mexican mining in-
ustry. The Mexicanization may
ffect Canada in another way be-
ause Mexico also is one of the
orld's largest suppliers of lead,
inc and silver. As Mexican capital
ecomes more important and ac-
uires new financial facilities, it is
oped that many companies will
odernize their equipment and
reamline their operations. The 50
er cent tax reduction will certainly
ermit them to offer metals at more
ompetitive prices in the United
tates market, where Canada finds
s best outlet.

MINING PRODUCTION IN MEXICO

		1959	1960	Variation 1959/60 (per cent)
General index (1950=100)		108.1	109.7	+ 1.5
Precious metals		87.1	86.8	− 0.3
Industrial minerals		114.0	116.2	+ 1.9
Production volume				
Gold	kgs.	9,756	9,598	− 1.6
Silver	tons	1,371	1,370	− 0.1
Antimony	"	3,286	4,301	+30.1
Arsenic	"	10,465	12,651	+20.9
Sulphur	"	1,338,405	1,292,803	− 3.4
Bismuth	"	239	256	+ 7.1
Cadmium	"	574	1,092	+90.2
Coal	"	1,576,616	1,021,435	−35.2
Copper	"	57,274	61,157	+ 6.8
Tin	"	383	466	+21.7
Graphite	"	27,837	36,018	+29.4
Iron	"	535,320	517,876	− 3.3
Manganese	"	76,935	73,437	− 4.5
Mercury	"	566	689	+21.7
Lead	"	190,680	191,973	+ 0.7
Zinc	"	263,935	268,227	+ 1.6

Preliminary figures.
Source: Direccion General de Estadistica.

EXPORTS OF MINERALS

	1959	1960	Variation 1959/60 (in per cent)
	(in metric tons)		
Precious Metals			
Gold (kgs.)	1,384	1,458	+ 5.3
Silver	1,210	1,051	− 13.1
Industrial Minerals			
Antimony	2,500	3,380	+ 35.2
Arsenic	6,477	8,041	+ 24.1
Bismuth	97	96	− 1.0
Cadmium	475	1,126	+137.1
Copper	40,607	33,924	− 16.5
Graphite	24,577	33,573	+ 36.6
Iron	68,361	102,653	+ 50.0
Lead	140,275	137,259	− 2.2
Manganese	76,935	73,409	− 4.6
Mercury	720	774	+ 7.5
Sulphur	1,338,405	1,283,665	− 4.1
Tin	98	76	− 22.4
Zinc	248,588	244,567	− 1.6

Source: Direccion General de Estadistica.

Mining Production

Since 1950, the mining industry has not kept pace with the general expansion of the economy. Although the growth of the gross national product has averaged 4.5 per cent per year during the last decade, mining production has expanded by only 1 per cent. Precious metals suffered the greatest losses because of depletion of reserves, especially of gold. The fixed price of gold, at U.S.$35 per ounce, makes gold extraction less and less profitable in terms of the deflated value of gold relative to the increased prices of other commodities. The contraction of the United States market for lead, zinc and copper, on which Mexican metal exporters depend almost exclusively, has forced mining companies to level off and sometimes curtail their production.

Optimism prevails in mining circles, however, as the predicted turn of the business cycle in the United States may lead the way to a tightening of metal prices. The domestic market also offers a

brighter picture, since a doubling of iron and steel production is expected within the next five years. The largest production increase in 1960 was in cadmium, which has easy access to world markets. Export value of this metal increased by 152 per cent in 1960 over 1959. The accompanying table shows that the output of small-tonnage metals and minerals has increased significantly, but large-tonnage products show a marked tendency to decrease.

Export Patterns

The prosperity of the mining industry depends upon the strength of the world market for minerals and metals, because exports account for some 75 to 80 per cent of total production. Minerals and metals, in fact, occupy first place on the list of Mexican shipments abroad. Although in recent years they have decreased relatively (23 per cent of total exports in 1957) they again reached 30 per cent in 1960.

Before the Second World War, gold and silver were the largest exports and foreign exchange earners. With the advent of industrialization and the depreciation of precious metals in terms of the value of the U.S. dollar, gold and silver have been replaced by the basic industrial metals, lead, zinc and copper.

Four mineral products appear on the list of the eight largest exports:

PRINCIPAL MEXICAN EXPORTS 1960

	(millions of dollars)
Cotton	119.4
Coffee	60.9
Sugar	52.8
Shrimps	34.0
Lead	33.7
Zinc	29.6
Sulphur	28.2
Copper	24.8

Source: Anuario Estadistico de Mexico, 1960.

The accompanying table of metal and mineral exports for 1960 shows that although shipments of lead, zinc and sulphur decreased in volume compared with 1959, their export value has been maintained. The stronger price for copper partly compensated for the loss of 16 per cent in export tonnage. It is expected that mineral exports will increase with the expected expansion of the Latin American Free Trade Area. There is also speculation about whether Mexico will experience more difficulty in marketing its metals in the U.S. as ownership by U.S. firms decreases.

MINERAL TRADE WITH CANADA 1960

Imports from Canada	(Can.$'000)
Aluminum, primary form	3,738
Asbestos	1,837
Ores, n.o.p.	492
Nickel, fine, in oxide	251
Non-metallic minerals, n.o.p.	224
Others	35
Total minerals	5,877
Total imports	**38,023**

Exports to Canada	(Can.$'000)
Fluorspar	1,241
Gypsum	164
Lead in pigs and blocks	141
Salt in bulk, n.o.p.	89
Mercury	79
Others	22
Total minerals	1,736
Total exports	**21,007**

Metals Imported

Metals not produced in Mexico are imported in sufficient quantities, either in the slab or billet form, for rolling, extrusions, etc. Specialty steels, alloys and certain semi-finished metal products are also imported in substantial volume, mostly from the United States. Imports of more advanced metallurgical materials are expected to increase in direct proportion to the rate of industrial development. At the same time, steel products such as sheets, rods and galvanized plates are now made in Mexico and imports are only allowed to fill the gap whenever domestic production cannot satisfy demand.

Imports of common metals constitute approximately 3 per cent of all imports, reaching $29 million in 1959 and $36 million in 1960. Recent expansion in the iron and steel industry (these products make up the bulk of metal imports) will permit the Republic to mainta[in] purchases at this relatively low lev[el].

Mexico also imports substant[ial] quantities of metal-bearing chem[i]cals. Producers of aluminum oxid[e], chromic acid, chrome sulpha[te], sodium nitrate and titanium oxi[de] would do well to investigate t[he] possibilities of selling to this gro[w]ing market.

Trade with Canada

Mexico's main mineral impo[rts] from Canada are aluminum, asbe[s]tos, nickel and other ores.

From these statistics, it appea[rs] that the Mexican market for mi[n]erals is a large one and should e[x]pand with further industrializatio[n]. Over the last few years, Canadi[an] shipments of metals and minera[ls] have constituted some 15 to 20 p[er] cent of our total sales to the Repu[b]lic. Finished or semi-finished met[al] manufactures—such as sheets, ro[ds] and rails—accounted for another 1[...] per cent.

Mexico's exports of metals a[nd] minerals to Canada amounted [to] 8.2 per cent of all shipments a[nd] were made up chiefly of the no[n]metallic minerals fluorspar, gypsu[m] and salt. Lead and mercury are t[he] only metals that we import in si[g]nificant quantities.

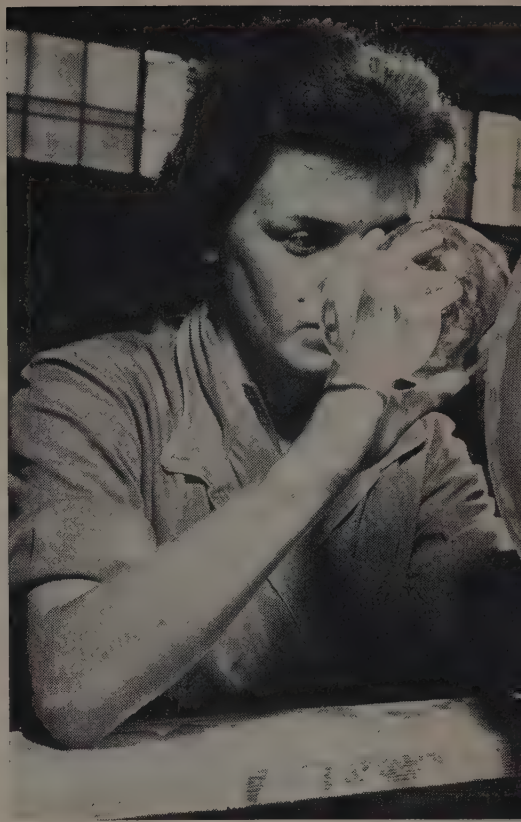
Mining Machinery

The mining companies have ke[pt] purchases of mining machinery [at] an operational minimum because [of] apprehension over the effect of t[he] new mining law on foreign-own[ed] companies. Now that this legislati[on] has been passed, it is hoped th[at] new equipment will be purchase[d] and inventories restored to norm[al] levels. Many of the well-known mi[n]ing-machinery manufacturers ha[ve] branch offices in this country a[nd] maintain an adequate sales force [to] cover the market extensively. In a[d]dition, four companies have esta[b]lished facilities for the manufactu[re] of tungsten carbide-tipped rods a[nd] diamond-drilling rods. Heavi[er] machinery is still imported, pr[i]marily from the United States a[nd] Sweden. ●

The Netherlands Glass Industry

oncentration of production, increasing specialization have marked his industry in recent years. Dutch household glassware, fine quality rystal, glass bottles find both domestic and foreign buyers.

R. CAUX, *Assistant Commercial Secretary, The Hague.*



HREE years ago, practically the ntire glass manufacturing industry the Netherlands was centralized one company, the United Glass Vorks in Schiedam. At that time, nited Glass bought a 100 per cent terest in the N. V. Kristalunie ompany, Maastricht.

The Dutch glass industry goes ack to the 15th century, when ass-blowing was introduced into e Netherlands from Venice. Over e following centuries the work- hops of Amsterdam came to rank s among the most famous in urope. At the beginning of the 0th century, Holland had about 50 ass factories and glass-processing hops, many of them family owned. Vith the introduction of mechaniza- on, such as the Owens bottle- aking machine, many firms were orced either to close down or to erge into more competitive units. his process reached its climax in e merger of 1958.

Though the Netherlands is not ch in raw materials, it does have ost of the necessary ones for mak- g glass. The southern part of Lim- urg has vast quantities of a special ind of sand that, because of its on content and the size of the rain, is almost ideal for making the est quality glass. (It is also ex- orted to other European coun- ies.) The country also provides ther essentials, such as limestone and lime marl. Certain components of special glass (such as red lead oxide) have to be imported, mainly from surrounding countries. Energy for the industry comes from the State Mines, which produce all the gas and, more recently, the oil needed.

Glass Containers

The concentration that took place in the Netherlands industry brought about an intense specializa- tion among the different plants, particularly in the branch that manufactures packaging materials. For instance, one factory makes beer bottles almost entirely and another milk bottles. These factories are highly mechanized. The auto- matic bottle-manufacturing ma- chines imported in 1911 are still in use and each one can make up to 60,000 bottles a day without human labour. The plant can turn out the over 10,000 different types of bottles in circulation in Holland. The principal customers for glass containers are the pharmaceutical, chemical, engineering, cosmetics and food-and-drink industries. The home market takes a good share of the total production of about 300 million bottles. However, in 1960 over three million guilders' worth of bottles, phials, jars and other containers were exported, mainly to Belgium, Luxembourg, West Ger- many and Britain.

Household Glassware and Crystal

Perhaps the most famous section of the Netherlands glass industry is the one that produces domestic glassware and crystal. It turns out a wide range of products, from low- priced glassware to the highly artis- tic crystal.

The manufacture of mass-pro- duced glassware was started about 1914 to compete against low-quality imports and inferior local produc- tion. The experiment was successful and today Holland is known for its attractive glassware sold at a sur- prisingly low price. But still more important is the production of fancy glassware by the Leerdam and Maastricht factories. Their products have a world-wide reputation for quality and design. The glassworks of Leerdam and Maastricht employ more than 2,000 workers, some of whom are competent artists. The N. V. Nederlandsche Glassfabriek at Leerdam concentrates on table and cut crystalware and the N. V.

NETHERLANDS GLASS EXPORTS 1960

	Quantity (1,000 kg.)	Value ('000's guilders)
Glass in tubes	3,380	7,508
Lead glass	23	502
Safety glass	1,060	2,171
Bottles and other containers	6,082	3,049
Crystal and other glass articles	1,254	4,375

Kristalunie at Maastricht specializes in the heavily cut crystalware. Old hand-blowing techniques are still used by the glass specialists in the making of the superior kinds of small glassware and, after a series of delicate manipulations that call for great dexterity, the end product is an object of great beauty and value.

This sector of the Netherlands glass industry is strongly oriented towards exports. In 1960, exports of household glassware and cut or polished glass reached almost Fl.4.5 million. The list of countries to which these exports go is long and includes not only Europe but all other parts of the world as well.

Other Types of Glass

Other articles of glass make up an important share of total Dutch output. Factories making lamp bulbs have become firmly established because of their connection with the Philips electrical industry. Glass bricks, glass wool, glass silk, laboratory glassware and technical equipment are turned out in useful quantities. Holland still relies entirely on Belgium for its supplies of flat glass. However, a plant for making window glass was recently erected at Tiel, on the Amsterdam-Rhine canal, by three important Belgian enterprises. Production is expected to begin about July o[f] 1962.

Influence of Common Market

The Netherlands glass industr[y] is already well protected by th[e] Benelux tariff, which in some case[s] is as high as 24 per cent on import[s] from countries other than member[s] of EEC. The general opinion is tha[t] the final setting-up of the Commo[n] Market will not have very importan[t] consequences for the Dutch glas[s] industry. In the hollow-glass secto[r] the relatively high costs of trans[-]portation will prevent a big expan[-]sion of trade between EEC membe[r] countries. As for crystal, its hig[h] quality and reputation may enabl[e] it to gain certain markets pre[-]viously restricted, but the manufac[-]turers will also have to meet keene[r] competition from glassmakers in th[e] other EEC countries. ●

COMMODITY NOTES

Automobiles

BRAZIL—Willys Overland do Brasil is planning to increase production of the Renault *Dauphine* car by 60 per cent this year, to 12,000 units. Of the parts used in manufacture, 70 per cent are Brazilian made. The President of the Association of Automobile Producers is reported to have stated recently that the industry is virtually independent of imported material; equipment valued at only U.S.$10 million is expected to be imported this year, compared with imports of U.S.$96 million in 1959 and U.S.$30 million in 1960—Sao Paulo.

Bananas

CANARY ISLANDS—There are some 14 million banana trees covering an area of 8,400 hectares in the Canary Islands, and the crop brings in an average annual income of $21.6 million. The 1960 crop totalled 287,837 tons, of which 86,698 tons were exported to 16 countries. The principal customers were Denmark (19,151 tons), the U.K. (18,009), and Morocco (10,862), followed by Germany, Finland, Norway and Ireland. This year's crop is expected to be 100,000 tons larger than the average for the past ten years; during the decade cultivation has risen b[y] 20 per cent—Madrid.

Chemical Machinery

INDIA—A Bombay firm has reportedly been grante[d] an industrial licence to manufacture 10,000 tons o[f] chemical machinery and equipment a year. It will buil[d] a factory on the northern outskirts of Bombay to make pressure vessels, pressure storage spheres, distillatio[n] columns, heat exchangers and coolers, autoclaves, ai[r] receivers, catalyst collecting drums, scrubbers, evapora[-]tors, stills, dryers, mixers, etc. It is expected to sav[e] the country Rs.10 million a year in foreign exchang[e] and will help meet India's Third Plan target of Rs.50[0] million worth of chemical plant and equipment. Loca[l] production in 1959 was valued at Rs.7 million—Bombay.

Cloth

SOUTH AFRICA—Two South African mills have started production of a new type of worsted "fancy" cloth. A French designer of the exclusive cloth is supervising the colouring and pattern of the new material, which will be made with the latest British

pinning machinery. The manufacture of this high-grade cloth constitutes a new industry; previously only plain cloth was produced. It will be the first "fancy" cloth produced in Port Elizabeth. The cloth is intended for an exclusive market—Cape Town.

Coal

AUSTRALIA—A New South Wales coal mining company, Clintons Nattai Collieries Pty. Ltd., has won a new contract with the Fuji Iron and Steel Company to export one million tons of coal to Japan. Shipments will range over the next five years and will be over and above the other orders already negotiated between the two firms.

The Fuji Iron and Steel Company is studying a plan to reduce freight costs by constructing a 22,000-deadweight-ton coal carrier for a ten-sailings-a-year shuttle service between Japan and Australia. The Yawata Iron and Steel Company is considering a similar plan. Japan is now importing about 400,000 tons a year of coal from Australia under long-term arrangements—Sydney.

Cotton

PARAGUAY—Preliminary estimates of the 1961 cotton crop assess the yield at between 25,000 and 30,000 tons. Guaranies 155 per 10 kilograms has been the average price paid. In some areas, however, it has gone as high as guaranies 170—Montevideo.

SPAIN—By 1970, Spain hopes to be producing 800,000 bales of cotton per year. Some 680,000 acres were planted to cotton in 1960 but the crop was small because of poor weather. Generally, the yield obtained promises well for Spain as a cotton grower. In the Alicante region it is double that of Egypt and North America and the fibre quality is excellent.

Spain still imports cotton—about 72,882 tons in 1959, mainly the short-fibre type from Egypt and the U.S.—because Spanish cotton is higher priced and, if Spanish textiles are to compete in foreign markets, a proportion of raw fibre must be bought abroad.

Cotton production will probably increase until it covers domestic consumption. The farmers earn more money from cotton than from cereal crops and the Government saves foreign exchange that would otherwise be spent on imported cotton—Madrid.

Iron Ore

AUSTRALIA—The Federal Government has approved the first overseas shipment of Australian iron ore since it lifted its export ban. Almost A£1 million worth of high-grade ore will go to Japan from the Pineflower Creek field near Grafton in northern New South Wales. Exports will be allowed only on a carefully controlled basis—Sydney.

Livestock

NICARAGUA—The Government is making efforts to improve standards in the cattle industry in Nicaragua. With expenditures of $3 million during 1960-61 on the livestock industry, the hope is to double fresh meat exports to the United States from 1959's $1.3 million. Over $1.5 million has been spent on the expansion and modernization of the Matadero Modelo meat-packing plant. Current processing capacity of 120 head a day will be increased to 420 by 1962 and freezing capacity to 40 tons a day—Guatemala City.

Minerals

AUSTRALIA—The Broken Hill Proprietary Company Limited has formed a new £1 million mineral exploration company called Haematite Explorations Proprietary Limited. The new company will handle some of BHP's current and future exploration expenditures, and will carry out general mineral exploration and not just search for iron ore—Melbourne.

Oil

NIGERIA—The new Bonny oil terminal at the mouth of the Bonny River in the Eastern Region of Nigeria, and adjacent installations (including the Bomu-Bonny 12-inch crude oil pipeline), have now been completed. The project cost approximately £1¼ million and took almost two years to finish.

The pipeline is 12 inches in diameter and 180 miles long. It traverses dry land, swamp and river bottom, connecting Bomu (the main gathering station in Nigeria of the Shell-BP Development Company of Nigeria) with the terminal. Crude oil is being pumped through it now at the rate of 19,000 barrels a day. This volume will be increased gradually during the year to 60,000 barrels a day, representing a total annual production rate of three million tons—Lagos.

Oil Refinery

NEW ZEALAND—Tenders for the construction of the first refinery to be built in New Zealand are being called this summer. The project will take about three years to build, will cost an estimated $55 million, and should go into production early in 1965, according to the managing director of one of the participating companies. The consulting engineering is to be done by the Shell group in the Netherlands and London and international tenders for the project will probably be called—Wellington.

Petroleum

GUATEMALA—After several years of exploration and large expenditures, the major international oil companies are selling or failing to renew their leases in Guatemala. The companies found promising geological

formations, but the area failed to come up to expectations. Six wells, located mainly in the El Peten jungle region, have been drilled during the past few years—Guatemala City.

Powdered Milk

HONDURAS—The first powdered milk plant in Honduras, opened this spring, is owned by a group of Honduran agriculturists. They received both technical and financial assistance from the National Development Fund and UNICEF. The plant, working at 25 per cent capacity, is currently supplying enough powdered milk for 50,000 consumers—Guatemala City.

Pulp and Paper

NEW ZEALAND—Figures for the year ended March 1961 show an increase of 13,200 tons in newsprint output, 17 per cent above the record production of 1960. Wood pulp production increased from 242,800 to 261,400 tons. Consumption in 1960-61 was 200,000 tons (as against 184,000); this comprised all the mechanical pulp and 60 per cent of the chemical pulp produced. Pulp and paper exports totalled £6.4 million in value in 1960—Wellington.

Rayon

INDIA—Installed capacity for viscose yarn, acetate yarn, and staple fibre in 1959 reached 18,180, 1,200 and 21,600 tons respectively. In 1960 production of viscose yarn is said to have touched 20,500 tons; estimates for the others are not yet available. Canada has participated in this growth as a major supplier of chemical pulp. Between 1951 and 1960 our exports of that commodity rose in value from $200,000 to over $4 million.

The demand for rayon is expected to continue to grow—production targets for 1965-66 for rayon filament and staple fibre are 70,000 and 47,500 tons respectively. However, the outlook for continuing exports of pulp to India is not encouraging. The first local mill for the production of chemical pulp is expected to go into production early next year and the production target for 1965-66 is 90,000 tons a year—Bombay.

Refinery Products

BRAZIL—President Quadros has approved plans submitted by Petrobras for expansion of the country's refining capacity. These call for the collection of data for the construction of refineries at Pôrto Alegre, Belo Horizonte and Corumbá, and a pipeline from Belo Horizonte to Rio de Janeiro—Sao Paulo.

Rubber

BRAZIL—Brazil will produce an estimated 29,000 tons of rubber in 1961, of which 21,000 tons will be uncultivated, 2,000 plantation rubber, 2,000 tons latex and 4,000 tons synthetic (the latter to be produced by the Duque de Caxias synthetic plant near Rio de Janeiro). Because consumption in 1961 is estimated at 69,000 tons, some 40,000 tons will have to be imported. As the Duque de Caxias plant reaches full production within the next five years, imports will decline. When Coperbo, the projected synthetic rubber plant to be constructed in Pernambuco, is completed it will turn out 27,000 tons a year—Rio de Janeiro.

Steel

GUATEMALA—A new plant, Industria de Tubos y Perfiles, is currently under construction on the outskirts of Guatemala City and will begin producing tubes and profiles of iron, steel, brass and aluminum, this September. Guatemalan businessmen will supply the capital ($200,000)—Guatemala City.

SWEDEN—Steel capacity in Sweden has been increased by 300,000 tons with the completion of the integrated steelworks of the Grängesberg Company at Oyelösund. The plant is designed to produce a single product—high-grade heavy plate. The plate will be used in Sweden's expanding shipbuilding industry, in the building industry, and for pipelines and machinery. In 1960 Swedish output of heavy plate totalled 275,000 tons and 310,000 were imported.

The plant is using the Swedish "Kaldo" system, said to be unsurpassed among oxygen processes for making high-grade steel from high-phosphorous pig iron. It is also suitable for use with low-phosphorous iron—Stockholm.

Telephone Equipment

CEYLON—Following a recent agreement, the United Kingdom is to grant Ceylon a £2½ million loan for the purchase of telephone equipment for the telephone system in the Colombo area. The offer of the loan followed the report of a team from the British General Post Office which visited Ceylon under the Colombo Plan in 1957. The new system is expected to be in operation within three to four years and will extend the present direct-dialling system—Colombo.

Timber

NEW ZEALAND—Output of rough sawn timber for the year ended March 1961 totalled 714.1 million board feet. This is the highest figure yet reached, and some 20 million board feet (2.9 per cent) above the previous year. Production of exotic varieties rose by 40.4 million to 395.4 million board feet, and indigenous varieties dropped by 20.1 million to 318.7 million. Total output of exotic timber has exceeded that of indigenous varieties for the second year in succession and now represents 55.4 per cent of the rough sawn timber produced—Wellington.

SWEDEN—Three quarters of Sweden's exportable surplus of timber—estimated at about 950,000 standards (10 per cent less than in 1960)—has been sold, according to a market survey. The market has been quiet recently, with buyers taking a wait-and-see attitude while reducing their stocks, which were comparatively large at the beginning of the year. Consumption remains high in the prevailing investment boom.

Generally, Swedish exporters have been able to maintain their prices, with the possible exception of shipments of certain lower-grade qualities. Home-market consumption of timber remains strong and many of the smaller sawmills are reported to show little interest in export contracts as they are able to sell their output locally at better prices—Stockholm.

Uranium

SOUTH WEST AFRICA—A huge deposit of uranium ore is lying unexploited in South West Africa's Namib Desert, five miles from the Usakos-Walvis Bay railway line and 60 miles from Walvis Bay, South West Africa's largest port. The core of the deposit covers an area 10 miles long by 2 miles wide. The uranium oxide content of the ore is extremely high and the size and richness of the deposit puts it in the same class as the Mary Kathleen mine in Australia—Cape Town.

Vehicles

VENEZUELA—The Venezuelan Ministry of Development has announced that 12,580 motor vehicles were assembled in Venezuela in 1960, compared with 14,948 in 1959 and 13,443 in 1958. Tire production totalled 780,000 compared with 754,367 in 1959—Caracas.

Whisky

URUGUAY—It is reported that the Administration Nacional de Combustibles, Alcohol y Portland (ANCAP) is shortly to begin producing whisky in Uruguay. Output is expected to be on the relatively small scale of about 150,000 litres a year, but it is hoped to increase this gradually—Montevideo.

FOREIGN TARIFFS AND TRADE REGULATIONS

Dominican Republic

CONTROLS ON COFFEE, COCOA AND PLANTAINS REMOVED—By decree on June 6, coffee and cocoa were freed from all controls on their production, purchase, sale, distribution, fixed prices and export, or other restrictive measures. These two products rank next to sugar in importance as exports from the Republic. Another decree removed all administrative control on the export of plantains—Ciudad Trujillo.

Vietnam

IMPORT PROGRAM MODIFIED—The Government of Vietnam has announced that a greater variety of goods may now be imported, on receipt of the necessary licences, against the country's own reserves of foreign exchange. These commodities, previously imported primarily under American Aid Fund Programs, were exempted from the equalization taxes applicable to the majority of imports financed with Vietnamese reserves. The equalization tax, levied on an ad valorem basis, is approximately 50 piastres per U.S. dollar (the official rate of exchange is stated as 35 p. = U.S. $1.00). The commodities involved in this modification of the import program include:

Plastic raw materials	Industrial alcohols
Iron and steel products	Chemical products
Bronze	Optical instruments
Nickel	Rubber products (except tires)
Zinc	Steel scales
Brass	Upholstery materials
Lead	Cork and cork products
Tin	Coarse ceramics
Chromium	Non-metallic mineral products

With the exception of newsprint and papers used in the manufacture of cigarettes, envelopes, tissues, and other paper products, all the above goods will now be subject to the equalization tax and, therefore, wholesale and retail prices can be expected to increase.

The effect of this modification is that these commodities may now be imported into Vietnam from Canada and other countries that formerly were excluded as sources of supply when imports were made under the United States aid program—Hong Kong.

TRADE COMMISSIONERS ON TOU


R. W. Blake


L. A. Campeau


M. R. M. Dale


T. F. Harris

In Canada

L. H. AUSMAN, Commercial Counsellor in Brussels, Belgium:

Acton, Brantford, Fergus, Galt, Guelph, St. Thomas, Sarnia, Welland, Windsor —Aug. 23-30
Belleville—Aug. 31
Granby—Sept. 5
Quebec City—Sept. 7
Montreal—Sept. 11-15
Winnipeg—Sept. 21
Vancouver—Sept. 25-29
Toronto—Oct. 2-11

When he completes his tour, Mr. Ausman will return to Brussels.

R. W. BLAKE, Acting Director, Agriculture and Fisheries Branch:

Hantsport—Aug. 28
Kentville—Aug. 29
Saint John—Aug. 30
Fredericton—Aug. 31
Quebec—Sept. 1-2
Montreal—Sept. 11-15
Toronto—Sept. 18-22

When he completes his tour, Mr. Blake will go to Kingston, Jamaica, as Canadian Trade Commissioner.

L. A. CAMPEAU, Commercial Counsellor in Karachi, Pakistan:

Ottawa—Sept. 5-8
Toronto—Sept. 11-15
Hamilton, St. Catharines, Niagara Falls, Brantford, Windsor—Sept. 18-22
Vancouver, Victoria—Sept. 26-30
Montreal—Oct. 5-12
Quebec—Oct. 13

When he completes his tour, Mr. Campeau will transfer to Beirut, Lebanon, as Commercial Counsellor.

M. R. M. DALE, Trade Commissioner in Cape Town, South Africa:

Winnipeg—Aug. 25-28
Ottawa—Aug. 31
Montreal—Sept. 1
Saint John, N.B.—Sept. 2
Halifax—Sept. 7, 8, 9 (a.m.)
Charlottetown—Sept. 11, 12 (a.m.)
St. John's, Newfoundland—Sept. 13-14
Halifax—Sept. 15

When he completes his tour and home leave, Mr. Dale will return to Cape Town.

T. F. HARRIS, Consul and Trade Commissioner in N Orleans:

Ottawa—Sept. 11-20
Hamilton—Sept. 21-22
Toronto—Sept. 25-Oct. 4
Quebec—Oct. 5-6
Montreal—Oct. 9-13

When he completes his tour and home leave, Mr. Ha will return to New Orleans.

Businessmen who wish to see these officers should get touch with the Board of Trade or Chamber of Commerce the cities mentioned, with the following exceptions. In Toron Winnipeg and Edmonton, the Trade Commissioners m their headquarters at the offices of the Canadian Manufactur Association; in Windsor, Ontario, at the offices of the Grea Windsor Industrial Commission; in St. John's, Ottawa a Vancouver, at the Department of Trade and Commerce; Victoria at the Department of Trade and Industry, and Fredericton at the Department of Industry and Developme

In Territory

C. G. BULLIS, Assistant Trade Commissioner in Kingst Jamaica, will visit Nassau from September 3-9.

P. A. FREYSENG, Assistant Commercial Secretary in Vien Austria, will visit Belgrade and Sarajevo in Yugoslavia fr August 21-31, and will attend the Brno International Tra Fair, Czechoslovakia, from September 10-17.

C. R. GALLOW, Trade Commissioner in Johannesburg, So Africa, will visit Lourenco Marques in Mozambique fr August 28-September 1, and Port Louis in Mauritius fr September 25-29.

P. V. McLANE, Trade Commissioner in Glasgow, Scotla and Belfast, Northern Ireland, will visit the latter city fr Sept. 11-15.

K. D. TAYLOR, Assistant Trade Commissioner in Gua mala City, will visit Panama from August 27-September

R. K. THOMSON, Commercial Counsellor in Vienna, A tria, will be in attendance on the Canadian stand at the Br International Trade Fair, Czechoslovakia, from Sept. 17-

Businessmen who would like these officers to underta assignments should get in touch with them at their posts soon as possible. Write to Mr. Bullis at Kingston, Mr. Fr seng and Mr. Thomson at Vienna, Mr. Gallow at Johann burg, Mr. McLane at Glasgow, and Mr. Taylor at Guatem City.

Need Information on Foreign Markets?

You can get it from the Trade Commissioner posts around the world, or from the International Trade Relations Branch in Ottawa. This breakdown tells you which TC post and which ITR Division is responsible for the country in which you are interested.

Country covered by	TC Post and	ITR Division
Aden	Cairo	Commonwealth
Afghanistan	Karachi	Asia and Middle East
Alaska	Vancouver	United States
Algeria	Paris	Europe
Angola (Portuguese West Africa)	Leopoldville	Europe
Argentina	Buenos Aires	Latin America
Aruba	(see Netherlands Antilles)	(see Netherlands Antilles)
Australia	Sydney, Melbourne and Canberra	Commonwealth
Austria	Vienna	Europe
Azores	Lisbon	Europe
Bahamas	Kingston	Commonwealth
Bahrain	Beirut	Asia and Middle East
Balearic Islands	Madrid	Europe
Barbados	Port-of-Spain	Commonwealth
Basutoland	Johannesburg	Commonwealth
Bechuanaland	Johannesburg	Commonwealth
Belgium	Brussels	Europe
Bermuda	New York	Commonwealth
Bhutan	New Delhi	Asia and Middle East
Bolivia	Lima	Latin America
Bonaire	(see Netherlands Antilles)	(see Netherlands Antilles)
Borneo (North)	Singapore	Commonwealth
Brazil	Rio de Janeiro and Sao Paulo	Latin America
British Guiana	Port-of-Spain	Commonwealth
British Honduras	Kingston	Commonwealth
British Solomon Islands	Sydney	Commonwealth
British West Indies	Kingston and Port-of-Spain	Commonwealth
Brunei	Singapore	Commonwealth
Burma	Singapore	Asia and Middle East
Bulgaria	Vienna	Europe
Cambodia	Hong Kong	Asia and Middle East
Cameroon Republic	Paris	Europe
Canary Islands	Madrid	Europe
Cape Verde Islands	Lisbon	Europe
Cayman Islands	Kingston	Commonwealth
Central African Republic	Leopoldville	Europe
Ceylon	Colombo	Commonwealth
Chad	Leopoldville	Europe
Chile	Santiago	Latin America
China, Communist	Hong Kong	Asia and Middle East
China, Republic of (Taiwan)	Manila	Asia and Middle East
Christmas Island (Indian Ocean)	Sydney	Commonwealth
Cocos-Keeling Islands	Sydney	Commonwealth
Colombia	Bogota	Latin America
Congo	Leopoldville	Europe
Congo (French Community)	Leopoldville	Europe
Cook Islands	Wellington	Commonwealth
Costa Rica	Guatemala City	Latin America
Cuba	Havana	Latin America
Curacao	(see Netherlands Antilles)	(see Netherlands Antilles)
Cyprus	Athens	Commonwealth
Czechoslovakia	Vienna	Europe
Dahomey	Paris	Europe
Denmark	Copenhagen	Europe
Dominican Republic	Ciudad Trujillo	Latin America
Ecuador	Bogota	Latin America
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America
England	London and Liverpool	Commonwealth

Country covered by	TC Post and	ITR Division
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	Leopoldville	Europe
Gambia	Accra	Commonwealth
Germany	Bonn and Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Goa	Bombay	Europe
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Paris	Europe
Haiti	Port au Prince	Latin America
Hawaii	San Francisco	United States
Honduras	Guatemala City	Latin America
Honduras (British)	Kingston	Commonwealth
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi and Bombay	Commonwealth
Indonesia	Djakarta	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Northern	Belfast	Commonwealth
Ireland, Republic of	Dublin	Commonwealth
Israel	Athens	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Paris	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East

Country covered by	TC Post and	ITR Divis
Jordan	Beirut	Asia and Middle East
Kenya	Salisbury	Commonwe
Korea	Tokyo	Asia and Middle East
Kuwait	Beirut	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonwe
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxembourg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malaya, Federation of	Singapore	Commonwe
Maldive Islands	Colombo	Commonwe
Mali, Republic of	Paris	Europe
Malta	Rome	Commonwe
Martinique	Port-of-Spain	Europe
Mauritania, Republic of	Paris	Europe
Mauritius	Johannesburg	Commonwea
Mexico	Mexico City	Latin Ameri
Monaco	Paris	Europe
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	(see Surinam)	(see Surinam
New Caledonia	Sydney	Europe
New Guinea, Northeast and Papua	Sydney	Commonwea
New Hebrides	Sydney	Europe
New Zealand	Wellington	Commonwea
Nicaragua	Guatemala City	Latin Ameri
Niger, Republic of	Paris	Europe
Nigeria	Lagos	Commonwea
Norway	Oslo	Europe

Country covered by	TC Post and	ITR Division
Pakistan	Karachi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Montevideo	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese East Africa	(see Mozambique)	(see Mozambique)
Portuguese Guinea	Lisbon	Europe
Portuguese West Africa	(see Angola)	(see Angola)
Puerto Rico	Ciudad Trujillo	United States
Reunion	Johannesburg	Europe
Rhodesia and Nyasaland, Federation of	Salisbury	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Rio Muni	Madrid	Europe
Ruanda Urundi	Leopoldville	Europe
Rumania	Vienna	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Sarawak	Singapore	Commonwealth
Saudi Arabia (Red Sea and Aden)	Cairo	Asia and Middle East
Scotland	Glasgow	Commonwealth
Senegal, Republic of	Paris	Europe
Seychelles Islands	Salisbury	Commonwealth
Sierra Leone	Accra	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	Singapore	Commonwealth
Somalia	Cairo	Europe
South Africa, Union of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe

Country covered by	TC Post and	ITR Division
Switzerland	Berne	Europe
Syria	(see United Arab Republic)	(see United Arab Republic)
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Tanganyika	Salisbury	Commonwealth
Thailand	Singapore	Asia and Middle East
Tobago	Port-of-Spain	Commonwealth
Togoland	Paris	Europe
Tonga	Wellington	Commonwealth
Trieste	Rome	Europe
Trinidad	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Salisbury	Commonwealth
United Arab Republic Egyptian Region Syrian Region	 Cairo Beirut	Asia and Middle East
United Kingdom	London Liverpool Glasgow Belfast	Commonwealth
United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Paris	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Ciudad Trujillo	United States
Wales	London	Commonwealth
Western Samoa	Wellington	Commonwealth
West Indies, The	Port-of-Spain and Kingston	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zanzibar	Salisbury	Commonwealth

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.031875.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 11	Units per Canadian dollar	Notes (See below
Argentina	Peso		.01250	80.00	
Austria	Schilling		.03993	25.04	
Australia	Pound		2.3136	.4322	
Bahamas	Pound		2.8920	.3458	
Belgium and Luxembourg	Franc		.02073	48.24	
Bermuda	Pound		2.8920	.3458	
Bolivia	Boliviano	Free	.00008799	11,364.93	
British Guiana	Dollar		.6025	1.66	
British Honduras	Dollar		.7230	1.38	
Brazil	Cruzeiro	Free	.003969	251.95	
		Special Category	†	†	
Burma	Kyat		.2167	4.61	
Ceylon	Rupee		.2169	4.61	
Chile	Escudo		.9809	1.01947	
Colombia	Peso	Certificate	.1540	6.49	
Congo, Republic of	Franc		.02073	48.24	
Costa Rica	Colon	Official	.1838	5.44	
		Controlled free	.1552	6.44	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1433	6.98	
Denmark	Krone		.1495	6.69	
Dominican Republic	Peso		1.03188	.9691	
Ecuador	Sucre	Official	.05733	17.44	
		Free	.04783	20.90	
Egyptian Region, United Arab Rep.	Pound	Official	2.9631	.3375	
El Salvador	Colon		.4128	2.42	
Fiji	Pound		2.6054	.3838	
Finland	Markka		.003225	310.08	
France, Monaco, etc.	New Franc		.2100	4.76	
Franco-African Republics, etc.	Franc		.004200	238.09	
French Pacific	Franc		.01155	86.58	
Germany	D Mark		.2585	3.87	
Ghana	Pound		2.8920	.3458	
Greece	Drachma		.03439	29.08	
Guatemala	Quetzal		1.03188	.9691	
Haiti	Gourde		.2064	4.84	
Honduras	Lempira		.5159	1.94	
Hong Kong	Dollar	Free*	.1773	5.64	*July
		Official	.1808	5.53	
Iceland	Krona	Official	.02400	41.67	
India	Rupee		.2169	4.61	
Indonesia	Rupiah	Official	.02293	43.61	
Iran	Rial		.01362	73.41	
Iraq	Dinar		2.8893	.3461	
Ireland	Pound		2.8920	.3458	
Israel	Pound		.5733	1.74	
Italy	Lira		.001663	601.32	
Japan	Yen		.002867	348.80	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

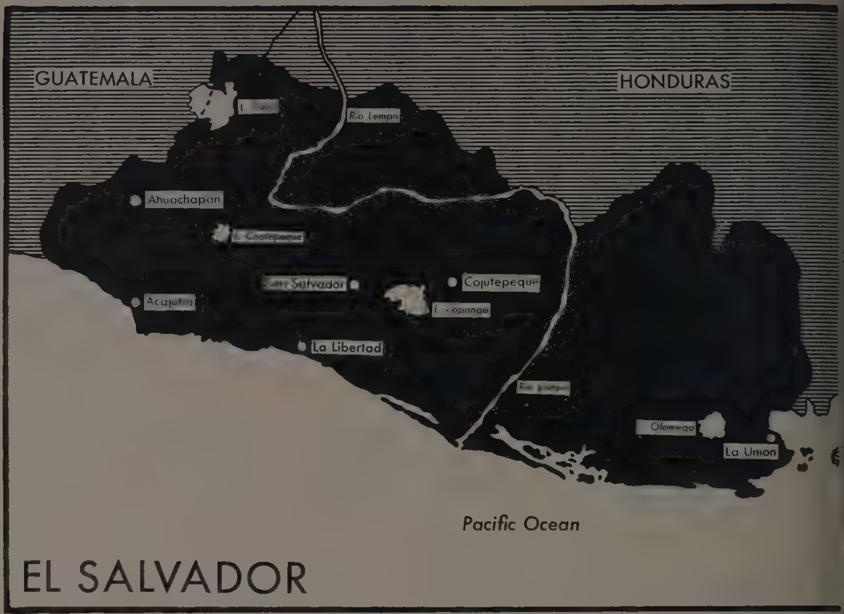
Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 11	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3242	3.08	
Mexico	Peso		.08255	12.11	
Morocco	Dirham		.2064	4.84	
Netherlands	Florin		.2868	3.49	
Netherlands Antilles	Florin		.5472	1.83	
New Zealand	Pound		2.8920	.3458	
Nicaragua	Cordoba	Effective buying	.1563	6.40	
		Official selling	.1464	6.83	
Nigeria	Pound		2.8920	.3458	
Norway	Krone		.1445	6.92	
Pakistan	Rupee		.2169	4.61	
Panama	Balboa		1.03188	.9691	
Paraguay	Guarani	Official	.008157	122.59	
Peru	Sol		.03847	25.99	
Philippines	Peso	Free	.3766	2.65	
		Official	.5159	1.94	
Portugal & Colonies	Escudo		.03601	27.77	(5)
Republic of South Africa	Rand		1.4460	.6916	
Singapore and Malaya	Straits Dollar		.3374	2.96	
Spain and Dependencies	Peseta		.01720	58.15	
Sweden	Krona		.1999	5.00	
Switzerland	Franc		.2390	4.18	
Syrian Region, United Arab Rep.	Pound	Free	.2882	3.47	
Thailand	Baht	Free	.04881	20.49	(4)
Tunisia	Dinar		2.4765	.4038	
Turkey	Lira		.1147	8.72	(4)
United Kingdom	Pound		2.8920	.3458	
United States	Dollar		1.031875	.9691096	
Uruguay	Peso	Free	.6793	1.47	
Venezuela	Bolivar	Official	.3077	3.25	
		Free	.2251	4.44	
West Indies Fed.	Dollar		.6025	1.66	(6)
	Pound		2.8920	.3458	(7)
Yugoslavia	Dinar	Official	.001376	726.74	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

EL SALVADOR



Area: 8,016 square miles.

Population: 2,400,000.

Climate: low coastal areas humid and hot; higher altitudes hot but with less humidity.

Language: Spanish; most leading business firms can also correspond in English.

Currency: monetary unit is the colon; one colon=Can.$0.40.

Weights and measures: metric system, although Spanish standards are still used in some areas.

Capital: San Salvador.

Chief Ports: a new port at Acajutla on the Pacific Coast was opened in April 1961. La Libertad and La Union are two other ports on the Pacific. Goods can be shipped by rail from the Atlantic port of Puerto Barrios, Guatemala, to El Salvador.

Marketing centres: San Salvador (population 225,000) the main distribution and financial centre, is connected with the Pacific ports by paved roads. Ahuachapán and Cojutepeque are small distribution centres close to San Salvador.

Economy: raw cotton is gaining in importance as an export but coffee still provides 80 per cent of export revenue. A number of small manufacturing plants produce a wide range of products.

Total Salvadorean imports: 1958—U.S.$108,058,568.

Chief imports: 1958 (U.S.$ million)—foodstuffs 16.5, oil and fuels 7.3, chemical products 16.6, manufactures 26.3, machinery and transportation 24.0.

Chief suppliers: (U.S.$ million) 1958—Canada 1.7, United States 52.0, Guatemala 3.0, Honduras 6.0, Venezuela 1.0, West Germany 10.0, Belgium 3.5, United Kingdom 4.7, Netherlands 7.5.

Value of imports from Canada: 1960—$2,390,276; 1959—$2,566,985.

Chief imports from Canada: 1960—newsprint $550,378, flour of wheat $540,419, upper leather $117,715, aluminum $113,490, inedible tallow $104,594.

Total Salvadorean exports: 1958—$116,022,768.

Chief exports: (U.S.$ million) 1958—coffee 84.3, coffee extract 3.2, cotton 17.8.

Chief markets: (U.S.$ million) 1958—Canada 1.1, Costa R[illegible] 2.0, United States 19.1, Guatemala 1.9, Honduras [illegible] Nicaragua 1.6, West Germany 15.1, Belgium 1.2, D[illegible]mark 2.0, Netherlands 1.3.

Value of Canadian purchases: 1960—$828,710; 1959—$[illegible] million.

Chief Canadian purchases: 1960—coffee, green $752,927, c[illegible]ton linters and fibres $61,634.

Dollar exchange: no restrictions on import transactions [illegible] present, but there is a law which contains provisions [illegible] exchange controls and import licensing.

Prices: quote in U.S. dollars, preferably c.i.f. Pacific port. [illegible]

Samples: admitted free if classified as having no commerc[illegible] value and suitable only for demonstration.

Trade agreements: exchange of most-favoured-nation treatm[illegible] between Canada and El Salvador. Some Canadian [illegible] United States products are granted preferential rates [illegible] duty.

Import controls, documentation, customs tariffs, marking [illegible] labelling: consult the International Trade Relati[illegible] Branch, Department of Trade and Commerce, Ottawa[illegible]

Canadian banks: Bank of London and Montreal Limited.

Correspondence: airmail essential; letters 10 cents per h[illegible] ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala, C.A.

Roger Duhamel
QUEEN'S PRINTER

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The Queen's Printer, Ottawa, Canada

Have Your Cake and Eat It Too

Defy *them*: *they* always say you can't and you shouldn't. Go ahead, buy two cakes—one to look at and one to slice up.

This reminds us of FOREIGN TRADE. (No matter how far we have to reach, we always get back to FOREIGN TRADE.)

Some of our readers have a problem. They want to keep each issue of FOREIGN TRADE intact. They also want to tear out certain articles and file them for quick reference.

What to do? For them we have the same defiant advice. Go ahead, buy two FOREIGN TRADE's—one to look at and one to slice up.

Seven West African Markets (page two)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

SEPT. 9. 61

FOREIGN TRADE

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COMING IN SEPTEMBER 23 ISSUE——AUSTRALIAN ECONOMY READJUSTS
NEW ZEALAND FACES PROBLEMS

Seven West African Markets

WILLIAM BRETT, Assistant Commercial Secretary in Pa recently spent several weeks investigating sales prospects a import methods in seven of the French-speaking West Afric republics. Here he briefs businessmen on these emerging countr where Canadian exports are untried and unknown; suggests wh we might sell and the best methods of approaching buyers.

CANADIAN traders can quite properly excuse themselves from anything approaching an intimate knowledge of trading conditions in French-speaking West Africa. As elsewhere in Africa, changes are enormously accelerated and trading possibilities have undergone a far-reaching transformation over a comparatively short period. In addition, the area is remote and often uncomfortable and difficult to visit. Yet in a world where total trade is increasing each year and where competition for markets is keener than ever, this is an area largely unknown to Canadian exporters and where Canadian products are unknown to importers. It would be wrong to give the impression that here lies a fallow market overlooked by our best export brains, but it is correct to say that here is a market where Canadian goods are untried. It needs painstaking exploration to establish possibilities for an individual product before any effort is made to appoint a representative or promote a brand.

It would be wrong to view the a as a whole but it has certain co mon features that are worth plaining before analyzing ea separate component of it.

Common Features

Since the idea of a French-spea ing Community in Africa took fo in 1958 there have been any nu ber of changes in constitutio nuances, so that relations w France vary from state to state. states except Guinea are in t franc zone. Mauritania, Seneg Mali, Ivory Coast, Upper Volta a Dahomey form with France a cu toms union (Union Douanière Within this system France pays customs duties but is liable to oth levies such as fiscal taxes, sa taxes, and so on. Customs dut vary considerably but are not, the average, particularly formidab with most ranging between 5 a 10 per cent. Generally speakin there are no quantitative contro on French goods; dollar-area pro ucts are controlled by "liberalize

ils of varying length and composi-
tin and by quotas.

To some extent, all these new rpublics depend on French aid, in-cding direct budgetary assistance, th providing of administrative and tchnical personnel, and the pur-chse of tropical crops at prices wll above world levels. Additional ad comes from Common Market dvelopment funds. Most of these nw nations have indicated a desire tc become related to the Common Market in the manner provided for in the Rome Treaty for Associated Oerseas Territories. The precise mchanism of this association is still a problem and is currently being dcussed by the African states thmselves. At the present time, mst states have special quota lists fc the Common Market Six and ge them a 20 per cent cut in cus-tms duties.

None of the countries of the Uion Douanière is yet a signatory tc the GATT but most are aware o the possibility of becoming so ad are now in a two-year orienta-tin period while they adjust trad-ig patterns and gain experience.

Te New Markets

ISLAMIC REPUBLIC OF MAURITANIA

Aea —417,000 square miles

Ppulation—624,000

Cpital —Nouakchott

"Please give us a list of the prod-ucts you have to sell"—Ministry of Cmmerce.

EVEN among its sister republics, Mauritania is unusual; about the se of Ontario, it is almost com-pletely desert and most of the pop-ultion are nomads.

The significant development there is the Miferma iron ore project. The ore is found at Fort Gouraud in northern Mauritania, some 450 mles from the sea. Considerable extraction plant is on site and a rilway to the harbour of Port Etienne is being built; it should reach the sea by August 1962. At the same time, work on the port is proceeding. Plans for reactivating copper deposits at Akjoust in central Mauritania are also being considered. The ore would be reduced on site and shipped in bags to the coast. Aside from these mineral operations, the Moors carry on basic agriculture, with gum arabic the only commodity trickling into world trade.

A spanking new capital, Nouakchott, is being built close to the central coast. Before its establishment as a Republic, Mauritania was governed from Port St. Louis, within the present borders of Senegal. Only a few government departments are today installed at Nouakchott.

Not long ago Mauritania, Senegal and Mali could be regarded as almost a single market centered on Dakar. Now Mauritania from the point of view of trade regulations, licensing, etc., must be regarded separately, but practically an approach is best made through Senegal. Goods continue to flow over the border point, Rosso. There are no statistics available and only now is the new state establishing records. However, import potential is low and opportunities largely confined to essential consumer goods. There are few Mauritanian traders but the long established French trading houses do have branches there, usually automatically supplied from stores in Senegal. Other possibilities for capital goods and equipment arise from the iron ore development, where a great deal must be spent on buildings, transport, mining and construction equipment. Offers in this field should be directed to the Paris headquarters of Miferma:

96690-3—2

S.A. des Mines de Fer Mauritanie,
87, rue La Boétie,
Paris 8e.

REPUBLIC OF SENEGAL

Area —77,000 square miles

Population—2,600,000

Capital —Dakar

"Of course we would trade with you, but we don't know you. You have no one here"—Ministry of Commerce, Senegal.

SENEGAL has been referred to as 700,000 tons of peanuts and this useful nut is indeed the backbone of the economy. Moreover, Senegal has a certain pre-eminence because its capital, Dakar, was the effective administrative capital of old French West Africa and acted as a port for Mali and Mauritania.

In 1960, United States exports to Senegal totalled about $5.6 million and Canadian exports only $80,000, mostly synthetic rubber. In Dakar I saw not one identifiably Canadian product, yet businessmen evinced an interest in such products as powdered and concentrated milk, canned meat, apples, salmon, plastics, chemicals, hardware, building board, machinery and paper.

In addition to the expanding quotas, there is a fairly significant list of liberalized products. The mechanism of importing into Dakar is rather interesting. An importer registers with the Chambre de Commerce his desire to import a product from another currency zone. The Chamber does a certain amount of sorting out and co-ordination, after which, periodically, a program is submitted to the Ministère du Commerce et de l'Industrie. There it is considered in the light of the needs of the economy but not overlooking the needs of the individual applicant. At this point, a certain flexibility enters which becomes greater as currency restrictions within the franc zone as a whole relax.

Dakar is one of the main pressure points for the ganglia of large French trading companies pervading Western African commercial life. Company officers here often have more autonomy in product selection than in smaller centres and exercise a loose control over branches in neighbouring territories.

REPUBLIC OF GUINEA

Area —100,000 square miles

Population—2,500,000

Capital —Conakry

"I can hardly believe the changes here over nine months' time"—U.S. businessman.

GUINEA, a republic of 2.5 million people covering 100,000 miles, is the least typical of West African markets. In 1958 when France proferred the "Community" idea to her territories Guinea elected to withdraw from association with France, the franc zone and the Union Douanière. Consequently, an entirely different trading pattern obtains. It takes the form of close arrangements with Eastern European countries and Communist China, based on a series of bilate commercial and development agre ments. From these, a certain par lelism in trading institutions aro tending to centralization with t establishment of the Comptoir Commerce Extérieur, a state i port-export monopoly extending i to distribution outlets.

Aside from various tropic crops, Guinea has two large al minum developments, Fria a Boké, where Bauxite du Midi, Canadian subsidiary, has importa investments. It also has an iron mining development located ne the capital, Conakry.

In 1960 Guinea had a positi balance of trade amounting to U. $5.3 million. This figure alm exactly equals Guinean exports Canada; there were no Canadi exports to Guinea. The Compt expressed a preference for dire offers from foreign suppliers b application can be made throu local importers. The Comptoir th imports the goods and retains ti until transfer to the traders in co sideration of a 5 per cent commi sion.

A view of the coffee-sorting factory and stores of the France-Amérique Company a sector of Abidjan, bustling capital city of the Republic of the Ivory Coast. Coff is the country's main export and a number of other factories are planned.

With an economy largely com-plmentary to Canada's, there are any opportunities for Canadian uppliers. Guinea is aware of the roblems rooted in trade concentra- and shares to the fullest the eral goodwill toward Canada nd in Africa. Exporters can ap- directly to Comptoir du Com-rce Extérieur, Ministère du mmerce, Conakry, République Guinée, or they can write to the mmercial Section of the Paris bassy for detailed information individual offers.

Canadians have a unique advant- in trading with Guinea in the ping connections already estab-ed for Guinean bauxite exported Canada. After discharge, the s usually sail for the United gdom with mixed cargo and to Guinea for reloading.

REPUBLIC OF MALI

a —463,000 square miles

ulation—3,700,000

ital —Bamako

We haven't had a letter from ada in ten years"—President of mbre de Commerce, Bamako.

LI is an in-between sort of a ket. Like most of the other blics, it is in the franc zone forms part of the customs n. Nevertheless, there are simi-ies of outlook with Guinea. se are reflected in a state-led import-export agency: So- Malienne d'Import-Export miex), B.P. 182, Bamako, Re-lic of Mali. Only this organiza- can import widely consumed c products and, of course, can pete with traditional trading ses in other lines. At the present , Canadian traders are invited send quotations on powdered and air conditioners to Mr. ma Traore, Director of Imports.

1960, Mali and Senegal, once gle republic, broke their union in fact all contact, including railway that linked Mali with Dakar and the sea. Since then, Mali has been provisioned from the south through the port of Abidjan on the Ivory Coast. This has drastically altered trade patterns throughout French-speaking West Africa and has tended to increase the importance of the Ivory Coast. Often an agent located in Abidjan, particularly if it is one of the established trading companies, can automatically cover Mali, Upper Volta and sometimes part of Niger.

Trading Companies in West Africa

Frequent reference is made in this article to the large trading houses traditionally covering West Africa. The following list of them may be useful.

Compagnie Française de l'Afrique Occidentale (CFAO),
7, Place d'Iéna, Paris 8e.

Société Commerciale de l'Ouest Africain (SCOA),
7, rue de Téhéran, Paris 8e.

Compagnie du Niger Français (CNF),
157, Boulevard Haussmann, Paris 8e.

Etablissements Peyrissac & Cie.,
43, Alley d'Orléans, Bordeaux.

Manutention Africaine,
17, rue Bourbon, Bordeaux.

Maurel et Prom,
18, rue Porte Dijeaux, Bordeaux.

Etablissements Vezia,
27, Avenue Albert Sarraut, Dakar, Senegal.

Maurel et Frères,
1, rue Louis XVIII, Bordeaux.

Etablissements Hammelle,
280, Boulevard St-Germain, Paris 7e.

Société Commerciale Africaine,
22, rue de Courcelles, Paris 17e.

Etablissements V.Q. Petersen et Cie.,
31, Boulevard Laprade, Dakar, Senegal.

Etablissements Chavanel,
Boite Postale 71, Dakar, Senegal.

There is a list of products which are freely traded and a list of quotas allotting about 2.6 per cent of all controlled imports to the dollar area. This is earmarked for machinery, tractors, construction equipment, air conditioning and transport equipment, but the authorities will be pleased to review any application for exchange on its merits.

REPUBLIC OF IVORY COAST

Area —124,000 square miles

Population—2,300,000

Capital —Abidjan

"There is nothing stopping you if you have the right goods at the right price"—Secretary General of Chambre de Commerce.

PROSPEROUS in its own right and channelling a good deal of the trade with the landlocked republics, this is perhaps the most interesting market in West Africa. In Abidjan the large trading houses are particularly strong and active and the local managers appear to have more responsibility and discretion than in other centres. In all, the Canadian trader wondering where best to start in Africa should probably pick Abidjan. The present tour uncovered a lively interest in paints, saws, milk, utensils, aluminum, hardware, air conditioning, agricultural machinery, boats and chicks. There is quite an interesting list of products freely importable from the United States and Canada, including fish oil, pyrites, asbestos, fertilizers and aluminum. Other imports are under quota but more and more exchange is becoming available on application. Present dollar-area quotas include dairy products, pharmaceuticals, plastics, explosives, used clothing and agricultural machinery. The exchange is allotted to various importers in accordance with sales experience over a previous 18-month period. This index is useful in selecting the most suitable representative.

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Perhaps the best measure of Canadian potential in the market is comparison with U.S. sales. Americans trading under conditions identical with Canadians sold $4.4 million worth of goods to the Côte d'Ivoire in 1960, but Canadian sales amounted to only $29,000.

Abidjan is a handsome bustling city reflecting the buoyant outlook of the country. With virtually all the tropical crops in abundance, an advantageous geographical situation, and a booming lumber industry, the Ivory Coast has an exceptionally wide economic base. There are active plans for industrial development, with a well-organized service for potential investors.

REPUBLIC OF DAHOMEY

Area —43,000 square miles

Population—1,700,000

Capital —Porto Novo (commercial capital Cotonou)

"We look forward to closer trade relations"—Ministry of Commerce.

THIS small market is best approached through the larger trading companies whose Dahomian branches are generally provisioned through Abidjan. One is aware of a certain British influence and several of the British trading houses are established in Cotonou.

Dahomey will never be a big market for Canadian traders, but there certainly is room for improvement. In 1960, imports from the United States amounted to $650,000; Canadians sold $28.00 worth of printed material. Here, as in most other republics of the customs union, exchange is becoming less and less of a problem. Aside from the agreed annual import program that is determined in consultation with the Chamber of Commerce, additional exchange is allotted through the "tirage special", or grant to an individual applicant. The main opportunities for Canadians are in supplying low-cost food staples and development equipment.

REPUBLIC OF TOGO

Area —22,000 square miles

Population—1,100,000

Capital —Lomé

"I have never seen anything of Canadian origin"—Togolese importer.

TOGO is an extraordinary little market, different from the republics of the Union Douanière because it has no customs duties, hardly any restrictions, and ample exchange. While the other countries were colonies of France, Togo was a trust territory and never completely integrated into the set pattern.

Togo relies on phosphate and on tropical agriculture. Much needs to be done in basic development—roads, soil surveys, etc.

Like Dahomey, the country is much influenced by its English-speaking neighbour, Ghana. Again the large trading companies are the preferred means of distribution. Flour and sugar are reserved for French suppliers and others—such as automobiles, air conditioners, refrigerators and a few other items—are on generous quotas. Otherwise, trade is completely free. Again, the market is small but dollar-area imports in 1960 totalled $325,000; Canada's share $40.

Information Available

I hope that these brief market sketches will arouse the interest of Canadian traders and that they will make an effort to establish the acceptability of their products. African importers showed interest in over fifty commodities, ranging through agricultural products, chemicals, consumer goods, industrial goods, forest products, minerals and technical services.

Mine was an extended tour into an imperfectly known area and the information gained has necessarily been telescoped. But the Commercial Division of the Paris Embassy can now secure detailed information on these interesting markets and will be happy to do so. ●

Oilseeds Mission to Europe

THE Department of Trade and C
merce has completed arrangem
for a Canadian Oilseeds Trade
sion to visit Europe in Septembe
determine the present and long-t
market possibilities for oilse
Members of the mission will s
at first hand the requirements of
European vegetable-oils markets
will assess the competition to
expected from other exporting c
tries. They will make direct co
with the trade in Europe and
stimulate interest in Canada a
source of supply.

For some time, the productio
oilseeds as an alternative to wh
growing has been encouraged
Western Canada. Farmers have
creased their output from a
382,000 tons a year over the
years 1948-1952 to 1,257,000 ton
1960. Four million acres
planted to oilseeds last year, c
pared with an average of 1.3 mil
in 1948-52. Exports in 1960 rea
$69 million; they included rapes
flaxseed, soybeans and mustards
European buyers, the Department
lieves, can be persuaded to purc
larger quantities each year, prov
the Canadian product is competi
The Department is encouraging
nadian producers to consider over
market opportunities seriously an
diversify export crops.

The ten-member mission will
clude representatives of produ
organizations, traders in oilseeds,
research and marketing special
It leaves for Rome on September
will then visit Venice, Milan, P
Brussels, Antwerp, The Ha
Utrecht, Rotterdam, Dussel
Hamburg, London, Liverpool,
Selby, and will return to Canada
October 14.

Members of the Mission are:
mar K. Moen, manager, seeds
sion, Alberta Wheat Pool, Calg
Louis A. Boileau, vice-president,
katchewan Wheat Pool, Regina; C
Hunt, director, Manitoba Pool
vators, Winnipeg; D. L. Trapp, di
tor, United Grain Growers I
Winnipeg; J. Gordon Ross, presid
J. Gordon Ross Syndicate, M
Jaw; C. O. Swartz, president, No
ern Sales Ltd., Winnipeg; K.
Standing, secretary, Ontario Soy
Growers' Marketing Board, Chath
H. R. Sallans, Prairie Regi
Laboratory, National Research C
cil, Saskatoon; W. G. McGre
Genetics and Plant Breeding Insti
Research Branch, Department
Agriculture, Ottawa; A. J. Stan
Plant Products Division, Departm
of Trade and Commerce, Ottaw

Selling in the South

Our Trade Commissioner in New Orleans recently toured Alabama, Tennessee and Mississippi; found market opportunities for a wide range of Canadian products. Here he suggests how our exporters can meet competition in this market.

G. E. BLACKSTOCK,
Vice Consul and Assistant Trade Commissioner, New Orleans.

THERE is a good market for Canadian products in the Southern United States. Agents, brokers and wholesalers down here are continually looking for new lines to round out the list of products they can offer to their customers. Manufacturers are always revising or developing their processes and need new raw materials or pieces of equipment. There are opportunities of all kinds. Knock on the door of any businessman in the South and the chances are you'll find a man who needs something, who's looking for something. But few southern businessmen knock on our doors to buy our wares. Except for a few Canadian industries that enjoy a well-established market here, the hard fact is that most Southern businessmen aren't even aware of Canada as a possible source of supply. Yet they are keenly interested if they are approached.

Opportunities Discovered

I recently finished a tour of Mississippi, Tennessee and Alabama, talking to almost a hundred businessmen—manufacturers and manufacturers' agents, lumber dealers, builders, food brokers, importers and others. Well over half of them asked to be put in touch with Canadian companies, either because of an inquiry placed with us by a Canadian firm or because the local businessman wanted a particular product that a Canadian firm could supply.

Several kinds of Canadian products already come regularly to these three states. Softwood lumber is the main one; there is a well-established, "traditional" market here for softwood lumber, for newsprint, wood pulp, saltcake, peat moss, certain food products, and some agricultural implements. Lumber sales, as well as sales of most of the others, could be increased, though lumber exporters in Canada are working hard at it. But for other lines, the comment most widely heard is: "Why don't more Canadian salesmen visit our territory?"

Frozen fish, fresh apples and rutabagas are also imported from Canada in fairly steady volume by each of the three states. There is a demand for a number of other food products not yet imported in large quantity; they include canned salmon and lobster, canned apples, other canned fruits, and canned meats. In my three-state tour, 26 of the 39 food brokers called on made specific product inquiries. Sales of frozen foods, particularly frozen fish, I learned, could be greatly increased.

A Look at Three States

The recession has hardly touched Mississippi, a state that earns its living mainly from agriculture and small local industries and has a low per-capita income. It produces mainly cotton, beef, forest products, and poultry, with considerable oil production and development in the southern part of the state. Manufacturing is increasing slowly, led by the lumber industries, pulp and paper, and garment-making. Jackson is the state capital and the only business centre of real importance.

Tennessee has also escaped most of the recession's ill effects. Of its several business centres, Memphis, an important cotton and hardwood centre and a busy transportation and distribution point, is perhaps the leader. Air, rail, truck, and water systems all maintain big terminal or transhipment facilities there. Many small and medium-sized manufacturing operations are carried on in Memphis and in Tennessee's other cities.

In Alabama, my tour took me to the city of Birmingham. An industrial centre, steel is its most important industry. Iron ore, limestone, and coal deposits are all found within ten miles of the city and mining is important. Cement, paper, aircraft, and cast iron pipe are manufactured locally. The whole state of Alabama, in fact, possesses a wealth of natural mineral resources. Its two big agricultural products are cotton and soybeans. The recession hit many industries hard but despite reports of a drop in purchases of Canadian

lumber, I believe that Canadian lumber sales have steadily increased. The market for other products is now beginning to improve.

Tours like mine are now much more productive because we Trade Commissioners have with us briefcases full of specific offerings from Canadian businessmen who attended the Export Trade Promotion Conference in Ottawa last December. In addition to the demand for lumber and food products, I also found interest in Canadian products ranging from water purifiers to plastic pipe fittings, plastic-coated chain link fencing, car and truck springs, and gas turbines.

Cultivating the Market

There are good markets in the South for Canadians, but there is also competition. You needn't expect to bat a thousand, but you can make your efforts look as though you expected to. Nor is it impossible to compete effectively in this market. Your product has to have something that the competition can't match—better price, higher quality, better delivery schedules, greater attractiveness. Even if it has one or more of these advantages, you will still have to sell it. And as the range of Canadian exports becomes broader and more competitors appear, Canadian firms have to put more into the sales effort.

The Southern businessman wants to be sure that he is dealing with a firm which has the right product at the right delivered price and one that will give him good service. If he has to wait weeks for an answer to his letter, he will lose interest and it will be harder to sell him something from Canada on the next try. Incidentally, when you answer his first inquiry, try to anticipate some of the obvious questions he will ask in his second letter.

If price is the difficulty, your product can perhaps be sold by emphasizing that it is a "quality", "specialty" or "imported" product. If you can't supply right away, say when you can. If the order is too small, perhaps carload lots delivered to a central warehouse are the answer. Several agents, brokers, or customers covering different areas in the same state could draw on supplies. If the order is too large, you might contract for steady delivery of a portion of the total requirements. If you don't produce exactly what is asked for, the market might warrant your starting to produce it. If you have been selling direct to customers only, think about giving an agent or broker or importer a chance, particularly if the territory is new to you. Even the biggest chain and department stores buy much of their merchandise from middlemen, direct-from-the-producer-to-you advertisements notwithstanding.

If your product is unknown in his area, the agent may want your assistance in advertising it, and if it is equipment or machinery that requires special knowhow to handle, he will want to visit your factory to see it being made and to find how to install, operate, and serv it properly.

Be ready to visit the territ yourself. The competition does, it is best to find out what the pr pects are at first hand. Your ag or broker or customer will want show you the field, the possibilit and the competition. You can m his customers, show off y samples, and make sure he's a m who really wants to push your pr uct. Sometimes a local firm want to handle your line with being too concerned about alre having a conflicting account, without intending to work at s ing it.

This advice sounds like an exp primer—a recital of the things ev salesman knows. It may, howev be helpful to newcomers in exp trade. More attention to the thi every salesman knows, we fi could mean more Canadian sales the Southern United States.

Road Development Financed

TO overcome the obstacle to economic growth presented by poor transportation in Argentina and Chile, the World Bank and the International Development Association (IDA) are financing extensive road improvement programs for both governments. Argentina has received a loan of $48.5 million and Chile two loans totalling $25 million.

In Argentina, the transportation system stands in great need of modernization. More than half the country's 35,000 miles of national roads are earth roads or trails, and only one-third are built for all-weather traffic. Before the start of the building program, the World Bank sponsored a survey of the Argentine road system. The $48.5 million loan will be used to improve the quality of maintenance equipment and to carry out extensive improvements and new developments needed to facilitate transportation.

The loan to Chile will be used to build or rehabilitate and to consolidate the main secondary roads in the ten southern provinces, the country's most important agricultural region. Many of these roads are dirt and impassable during the rainy season. In addition, a large number of roads were damaged by earthquakes in May 1960. When the work is finished, the Southern Zone will have an integrated all-weather road system.

Good road transport in the Southern Zone will strengthen the whole Chilean economy. In 1959 this area's agricultural output was valued at $206 million. Not only will the road improvement scheme speed up delivery of produce but it will also stimulate new agricultural development. As in Argentina, some $6 million of the loan to Chile will be invested in repair and maintenance equipment.

The execution of the projects in Argentina will be under the control of the Dirección Nacional de Vialidad, and will be carried out by contractors under unit-price contracts awarded after international competition. In Chile, the contracts will be awarded on the same basis and will be under the control of the Ministry of Public Works.

The loans are intended to meet only the foreign exchange requirements of the projects. The remainder—the equivalent of $46.5 million for Argentina and $37.5 million for Chile—will be provided in local currencies by the respective national governments. ●

Advertising Abroad

In Central America and Panama, radio reaches customers in all income brackets; newspapers offer best opportunity for attracting those with more money to spend.

K. D. TAYLOR, *Assistant Trade Commissioner, Guatemala City.*

LOCAL initiative and resourcefulness, combined with generous foreign aid programs, are the basis for the increasingly attractive sales possibilities in Central America and Panama. Advertising can be a valuable tool for Canadian exporters who want to capture a segment of this growing market.

A large number of consumers in Central America and Panama, however, are marginal customers because of their low per capita income. Thus, in deciding what segment of the market to concentrate upon, the advertiser must realize that because of low incomes about 4 per cent of the population are beyond his reach. But this still leaves 6.5 million potential customers in Central America and Panama.

Central America offers the same media for reaching the customer as Canada does, but the emphasis is different. In this market, radio reaches the largest audience and newspapers run a close second. Television is in its infancy but it is growing rapidly. Advertising slides in the cinema, store window displays and street signs round out the pattern of advertising. Whatever the medium chosen, Spanish must be used.

Media Reviewed

Here is some information on the various media.

• *Radio*—Central America and Panama have about 110 radio stations. Radio reaches about all income segments effectively and, in light of the high degree of illiteracy, comprehensive radio coverage is vital. Spot announcements and jingles are the most popular advertising methods. Large private corporations or sellers of prestige products, however, show an increasing tendency to feature high-toned programs with a minimum of advertising and an emphasis on classical music.

• *Newspapers* — Newspapers here are characterized by comprehensive news coverage and analysis rather than the sensational. They have the largest market and are read by the majority of those in the medium and upper income brackets. Some of the more influential and widely read newspapers in this area with their daily circulation figures are:

Costa Rica	— *La Nación* (45,000)
El Salvador	— *La Prensa Gráfica* (43,000)
Nicaragua	— *Diario Novedades* (25,000)
Honduras	— *El Dia* (25,000)
Guatemala	— *El Imparcial* (45,000)
Panama	— *The Panama Star & Herald* (30,000)

Advertising rates in the leading newspapers range from \$1.50 for one inch by one column to \$150 for a full page.

With the exception of the supermarkets and large department stores, advertisements are seldom larger than one-half page. However, whatever the size of the advertisement, an animated and simple presentation should be used. A distinctive Canadian motif such as the maple leaf would also attract the attention of readers.

• *Television*—The ownership of television sets in Central America and Panama is still restricted to the upper income bracket and it is estimated that there are not more than 40,000 sets in the area. Some programs are produced locally, but the majority come from Mexico and the United States. Each country has at least one television station and the Government usually owns the most powerful and influential network. A one-minute advertisement costs about \$5.

• *Film Slides*—Another advertising method is flashing advertising slides on the screens of the well-known cinemas. Movies still draw large and attentive crowds in Central America and the advertiser can be sure of a large captive audience.

• *Sound Trucks*—These can be hired to publicize your products loudly on the streets of Guatemala City. Although this method reaches numerous consumers, it is probable that they react unfavourably to the noisy intrusion on their downtown shopping. This medium is possibly the cheapest but not the most effective by any means, despite its widespread use in the area.

• *Other Media*—A superior and more selective means is providing your agent or distributor with promotion material that he can exhibit

in his store. With the advent of North American retailing procedures, attractive window displays and bright, cheerful store interiors are becoming the practice for progressive retailers.

Finally, neon signs are widely used on the main streets of the principal Central American cities. Generally, making these signs is a subsidiary operation of the larger advertising agencies. The costs of locally manufactured neon signs are reasonable and the designs presentable.

There are numerous advertising agencies in Central America; the majority of them are in Guatemala City and San Salvador. Although they are not nearly as sophisticated and advanced as their North American counterparts, some are capable of conducting a well-rounded and effective advertising campaign.

One approach to cutting the costs of using an advertising agency is to make an agreement on cost-shar with your overseas agent or c tributor in Central America. For e ample, the cost of the erection o neon sign could be shared on equal basis between the manufa turer and distributor.

If you are considering advertisi as a merchandising technique Central America, the Trade Co missioner's Office, P.O. Box 40 Guatemala City, Guatemala, wou welcome any inquiries for more d tailed information. ●

Northern Ireland: Business and Trade

Despite problems in some of Northern Ireland's key industries, foreign trade is expanding, and Canada's sales are holding steady; new markets are opening up for certain commodities.

E. ROY, *Office of the Trade Commissioner, Belfast.*

UNEMPLOYMENT, the possible effects of Britain's entry into the Common Market, and the impact of the new austerity measures announced by Britain's Chancellor of the Exchequer: these are the main problems facing the economy of Northern Ireland at present. They have all been the subject of recent talks between members of the Westminster Government and the Prime Minister of Northern Ireland.

The completion last spring of construction of the liner *Canberra* and lack of orders for more passenger tonnage resulted in layoffs at the shipyard amounting to an estimated 7,000 at the end of June. The voluntary winding-up of one of the country's oldest linen factories will eventually mean the loss of work for another 1,700. Despite this, the total unemployment figure of 36,000 remains almost the same as a year ago, representing 7.5 per cent of the employed population.

Presenting his budget to the House of Commons in May, the Northern Ireland Minister of Finance announced a record revenue of £117 million and expenditures of £109 million. Only minor tax changes were announced; they included the abolition of entertainment duty, the imposition of a 10 per cent tax on television advertising, and an increase in the car licence duty by 20 per cent to £15 a year. Capital grants to industry have been renewed for a further five years at a cost of £16 million. The aircraft industry has received a loan of £5 million toward development of its new air freighter. Government assistance to industry w total approximately £44 milli over the next five years.

Industrial Production Smaller

Industrial production in Northe Ireland is slightly below last yea the Monthly Index figure for M was 122 compared with 128 f May 1960 and 125 for 1960 as whole. Main groups showing i creases were construction (3 point food, drink and tobacco (17), a gas, electricity and water (22 Decreases were recorded in textil (8 points), clothing (19), enginee ing and metals (26), and oth manufacturing industries (4). 1959, gross industrial productio stood at £529 million, a rise 10 per cent; net output reach £145 million, an increase of 6 per cent over 1958. These figur are given in a report on the Cens of Production for 1959, which al reveals that in the same year ear ings of industrial workers rose over 8 per cent to £74.2 millio numbers employed increased

3,000 to 197,000, and total expenditure on new buildings, plant and machinery, etc., exceeded 1958's by £5 million. "The overall picture", the Report says, "is one of continued progress in most of the industries covered by the Census."

Ships and Aircraft

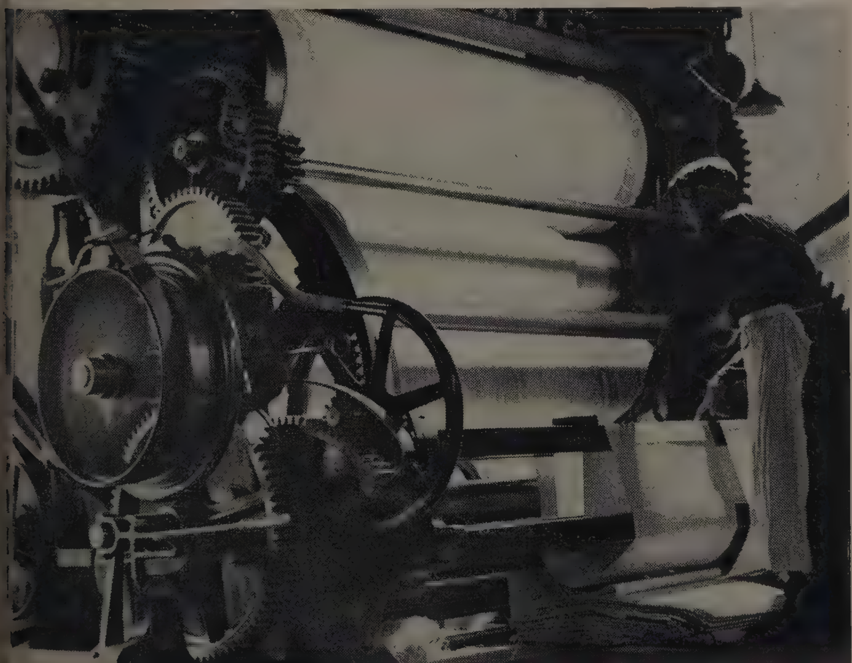
The situation is, however, a mixed one. The shipbuilding industry is finding difficulty for the first time since the war in getting sufficient work for its 18 slipways and labour force of 20,000. This follows a year when gross tonnage launched reached a record 187,-557. Representatives of industry, workers, and the two Governments have met but have had little success in finding more work. The Belfast yard is in the running for the new Cunard *Queen* contract, but against keen competition. Meanwhile, tonnage launched so far this year totals 6,000; tankers, one or two cargo liners, and Admiralty work are occupying eight slipways.

After prolonged negotiations, the Royal Air Force earlier this year placed an order worth about £17½ million with the Belfast aircraft factory for ten of the military air freighters designed and developed here. The makers are also working on an advanced civil version of the *Belfast* that could be used to capture part of the important North Atlantic air freight market. The *Seacat* guided missile being developed here for the Royal Navy has also attracted attention from overseas buyers, including Sweden, Australia and New Zealand.

Linen Industry

Higher flax prices, wage increases, and advances in the cost of most goods and services used by the industry have resulted in higher prices for linen goods. Another overseas market—Cuba—has also been closed to the trade, and competition from the cheaper products of Eastern European countries is growing. In spite of this, the linen industry is still the largest employer of labour, after agriculture. Many more mills are introducing modern equipment in an effort to cut down production costs, and some are weaving 64 hours a week on automatic looms by using an additional short evening shift.

An experienced hand keeps watch as the linen cloth goes through the final, finishing process. Northern Ireland's largest employer after agriculture, the linen industry is bringing in modern machinery to help cut costs and meet the growing competition.



Retail Sales Up

Retail trade is buoyant, and according to the Monthly Index, general sales in May were 4 per cent higher than at the same time last year. Sales were strong in the food groups, with the following increases: butchery 10 per cent, grocery 5, other foods 7, and milk 2. A rise of 2 per cent in the household goods group reflects a slight recovery from the effect of the restrictions on instalment buying imposed last year. The only decreases were in the footwear (1 per cent) and "miscellaneous non-food" (12 per cent) sections.

Foreign Trade

In external trade, figures for 1959 show that, at £680 million, foreign trade has almost doubled over the past ten years. Imports totalled £359 million, a rise of £31 million over 1958, and exports £321 million, an increase of £28 million. Direct seaborne imports from Canada were valued at £12,207,000 as against £11,248,-000 in 1958.

Because of the method by which the Northern Ireland trade returns are compiled, it is not possible to break down the imports of various classes of goods according to their countries of origin. Canada's trade, however, remains steady in timber, grain, apples, canned goods, etc. This office receives an increasing number of inquiries in connection with animal feedingstuffs, particularly oilseed cakes and meals. Business in Canadian onions has developed recently. Canadian confectionery is again appearing on the market, though supplies are obtained from British sources. Further development in the sale of canned goods is possible, and the prospect of a poor crop of Bramleys this season has led to some local interest in Canadian sources of supply for canned solid-pack apples. ●

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A Businessman Visits Eastern Europe

Last May, Gordon MacDougall, general sales manager of Shawinigan Chemicals, Kenneth C. Clarke, sales manager for the company's Industrial Chemicals Division, and the general sales manager at Shawinigan's London office visited Czechoslovakia, Hungary, and Yugoslavia in search of sales opportunities. This firsthand market research was suggested to them by the Canadian Trade Commissioner in Vienna (whose territory includes these three countries) at the Export Trade Promotion Conference in Ottawa last December. Early in the new year, Shawinigan's export department and the Trade Commissioner's office in Vienna began to work together on an itinerary and on lining up appointments in the three countries. When the trip came off in the spring, the three Shawinigan travellers were accompanied at each stage by a Canadian representative stationed either in Vienna or in Prague.

Foreign Trade interviewed Mr. Clarke soon after he returned from this sales reconnaissance. The information we gathered is presented here in question-and-answer form, in the hope that it will encourage other exporters to investigate these markets and simplify the planning of the trip.

KENNETH C. CLARKE,* *Sales Manager, Industrial Chemicals Division, Shawinigan Chemicals Limited. As told to O. Mary Hill.*

Had your firm done business with these countries before?

We had done a small amount of business with Hungary by correspondence and had shipped to Yugoslavia about seven years ago. Representatives of some of the trading corporations in Yugoslavia and Czechoslovakia had visited us in Canada. We were aware that the United Kingdom was selling certain chemicals in the countries that we too could supply.

What centres did you visit?

We visited Prague in Czechoslovakia, Budapest Hungary, and Belgrade and Zagreb in Yugoslavi Because the state trading corporations which hand imports of chemicals have offices in the capital citi visits to other centres, especially on a first explorato trip, are not necessary.

Was it difficult to obtain visas?

No. We filled out application forms that asked f certain information—the numbers of our passports, t nature of our business, how long we intended to st in the country, and so on. It is a good idea, howeve to apply for visas well in advance. Those for Czech slovakia and Yugoslavia were sent to us from the Missions in Ottawa. Hungary has no representative Canada and the businessman must either apply to t Hungarian Legation in Washington for a visa or a the Canadian Trade Commissioner in Vienna to secu one for him. This he can pick up in either Londo Vienna or Prague, whichever is most convenient.

Did you need other documents?

In each country we had to fill out a currency declar tion form when we arrived at the border, listing ho much currency we had with us in cash and in traveller cheques. All the money that we converted into th national currency was listed on this form, which wa checked when we left the country. We also found th it was a sound idea to declare typewriters, camera dictaphones and field glasses that we carried with u so that officials would know that we did not intend t leave these behind. Incidentally, we found all th immigration and customs officials pleasant an friendly.

Did you arrange all your appointments in advance?

Yes. Thanks to the Vienna office of the Trade Com missioner Service, all our appointments with the tra ing corporations were lined up before we left Canad They all went like clockwork. In Czechoslovakia w were fortunate to be accompanied by the Attaché fro the Canadian Legation in Prague, in Budapest by th Canadian Commercial Counsellor in Vienna, and i

*Shortly after he returned from this journey, Mr. Clarke was appointed vice-president of Shawinigan Products Corporation in New York.

Yugoslavia by the Assistant Commercial Secretary in Vienna. All the interviews were carried on in English.

How were you received?

We were received cordially, treated exactly as we would be in countries outside the Soviet Bloc, and given all the information for which we asked. Eastern European businessmen are perhaps more formal in their approach and manner than we are in Canada. In Czechoslovakia we were entertained at lunch and taken on a sightseeing tour of Prague. In Hungary, two officials of the state trading corporations met us at the airport, and in Yugoslavia we were welcomed on our arrival and also entertained at dinner.

What about your travel and hotel reservations?

These we made ourselves through the travel agents we normally use. We relied on the Trade Commissioner's advice in choosing hotels and we had no difficulty with reservations or service anywhere.

See also "How to Travel in Eastern Europe" in the March 25, 1961, issue of *Foreign Trade.*

CZECHOSLOVAKIA

What was your method of operation in Prague?

The trading corporation, Chemapol, looks after the exporting and importing of chemicals and pharmaceuticals and of chemical raw materials. Chemapol is divided into several groups, with a large one handling organic chemicals and further subdivided. We had two sessions of from three to four hours each with this group. We went through our list of products and the corporation had on hand the man or men who handle purchases of all these. We received details about where the Czechs obtain these chemicals, plus some data on volume and on prices.

Are the Czechs up-to-date, technically speaking?

We were impressed with their technical knowhow; they are well informed on the end uses of chemical products and anxious to add to their knowledge. We intend shortly to send a Shawinigan technical man over to visit the chemical factories and to discuss the various applications of our products. Technical service is essential if you wish to sell to the Czechs and our European competitors are skilled in this phase of selling.

Did you meet with any end-users?

No. We did not have sufficient time for this and in addition, foreign suppliers seldom see the end-users in the initial stages of sales negotiations. Contact with users becomes desirable when the company has begun to sell and needs to advise on the handling or applications of its products.

Did you consider appointing an agent in this market?

No, because the exporter must sell directly to the trading corporations. They buy only from manufacturers, who must make their own sales approach.

Who are your competitors in Czechoslovakia?

The Czechs buy all the chemicals and raw materials they can within the Soviet Bloc; the other leading suppliers are Italy, the United Kingdom, West Germany, and the United States.

Did the Czechs discuss your buying some of their products in return?

They have a fairly advanced chemical industry and there was some discussion about raw materials that Shawinigan imports and that we might obtain from them. But the matter was not pressed.

Do you foresee any difficulties in doing business with Czechoslovakia?

None outside the normal ones in export trade. The Czechs pay for their purchases in dollars, though the terms may be a bit longer than in Canada and in some other markets. We expect to ship either through Hamburg or Gdynia in Poland. The documentation is not complicated.

HUNGARY

How did you proceed in Budapest?

We were met at the airport by two members of the state trading organization and we went immediately into a three- or four-hour session with them. We had already sold small amounts of chemicals to them and were familiar with some of their needs. Representatives of the various chemical subgroups were also on hand.

What information did the Hungarians supply?

We gave them a rundown of our products and they told us which of these they now buy abroad or might be interested in buying, their current source of supply, and the market prices. Their chemical industry, incidentally, is not as large as the Czechoslovak.

Is the dollar shortage a problem in promoting exports to Hungary?

Yes, although it was not stressed. Hungary usually settles for its purchases in dollars and has a reputation for prompt payment.

YUGOSLAVIA

Is the method of trading in Yugoslavia the same as in the other two countries?

No. Yugoslavia does not have a single trading corporation importing chemicals; instead, about six are inter-

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ested and compete with each other. In addition, agents are necessary; they represent a foreign supplier and undertake a sales campaign with the end-users. The corporations will deal only with an agent who represents the supplier exclusively in that country and he must deal directly with the manufacturer and not with a broker in Europe or North America. Imports are only permitted against specific requests from consumers in the country.

What was your program in Yugoslavia?

First we met with one of the trading corporations with which we had had some dealings in the past. We met the whole group handling organic chemicals and had a valuable discussion. During the next two days we met with other corporations as well. Business hours in Yugoslavia are different—from 7 a.m. to 2 p.m. without a break and our first appointment there was at 7.15 a.m.! In Zagreb we worked right through Saturday.

Did you decide on an agent in Yugoslavia?

Yes, we interviewed one whom the Trade Commissioner had recommended and came to an agreement with him. The Government of Yugoslavia prescribes a standard form of contract covering a specific period and we will be signing the contract just as soon as certain details are settled. The rate of commission paid to agents varies with the product and with the amount of time devoted to promoting it but, generally speaking, seems to be no higher than in other countries. The agent in Zagreb will sell all our products on an exclusive basis.

Will this agent represent you in other European countries?

No, because it is Shawinigan policy to use only residents of a country as agents there. This agency did raise the question of selling for us in other European markets.

Did you visit any end-users?

Yes, in Zagreb, which is the centre of the paint, plastics and pharmaceutical industries. This manufacturer gave us full details on the technical set-up of his plant, the products made, the raw materials bought and where, terms and prices, and new developments on which the plant was working. We did not go through the plant. He asked for literature on certain technical developments which had come to his notice.

GENERAL IMPRESSIONS

Should a Canadian businessman have any hesitation about undertaking a sales or market research trip in these countries?

None at all, to judge from our experience. If he ma preliminary arrangements through the Trade Comn sioner in Vienna and follows his advice, he will assured of a good hearing. We were well recei everywhere, had no border-crossing problems, a were able to get the information that we wanted. T high regard in which our Trade Commissioners held and their excellent contacts make things easy.

What itinerary would you recommend for a first vi

I would suggest that the businessman spend at le three full working days in Prague, two in Budap and two in both Belgrade and Zagreb.

Should he travel alone, or with other officers of company?

Usually the visitor faces at least five and sometin as many as eight people from the trading corporati in fairly long sessions. This makes it difficult a fatiguing for one man alone to carry on the discussi We had three in our group and it worked out well.

Did you meet many competitors from other countr looking for business?

Yes, we met a number of businessmen from the Unit States and the United Kingdom, and especially fr Japan. We ran into teams of Japanese, with six eight on each team, in the three countries we visit

Are there any special problems in doing business this area?

The main one is, I think, the need for keeping co signment stocks somewhere in Europe. Canada in t mind of the customer is a long way off and he wa to be assured of quick delivery of his orders. W intend to establish stocks in the free port at Rotterd to serve Hungary and Czechoslovakia as well as ot European countries, and to set up stocks also Rijeka on which our Yugoslav agent can draw. A wa house in a free port area serves the exporter well a at a low cost.

What about advertising your products?

We took some sales literature with us and left it w the trading corporations and we are sending off ad tional material now. This literature is all in Englis but we may consider later preparing some in Germa because nearly all the technical people read Germa It would be impractical for us at this stage to put it c in Hungarian, Czech, or Serbo-Croat.

What follow-up do you plan?

We expect to keep up correspondence with our co tacts and to make repeat visits at regular intervals, business develops. We will send a technical man to c on end-users when we feel the right moment h arrived. ●

How Peru's "Big Four" Buy

Four largest mining enterprises in Peru, U.S. owned, sometimes buy direct in Lima and sometimes through their U.S. head offices. This brief article explains their purchasing policies and procedures for the benefit of potential Canadian suppliers.

By J. JENKINS, *Assistant Commercial Secretary, Lima.*

THE mining of metal ores in Peru is carried on by about fifty medium to large-sized enterprises and numerous small ones. Several of the larger ones are owned or operated by United States companies; in fact, over 95 per cent of the direct foreign investment in Peruvian mines estimated at half a billion dollars comes from the United States.

Most of the mines buy their machinery and equipment from the Lima representatives of foreign manufacturers. But some of the sizable ones owned or operated by U.S. firms either deal directly with the manufacturer or place their orders through their head offices in the United States.

Recently I called at the Lima offices of the four largest mines operating here and asked them to explain their purchasing policy for the benefit of possible suppliers in Canada. The following paragraphs summarize the information that I received.

Southern Peru Copper Corporation
Lampa 411
Lima, Peru

This Peruvian firm with U.S. ownership is mining by open-pit methods about 400 million tons of low-grade copper ore in southern Peru. Its installations in Peru include a concentrator, smelter, 44,-000 kw. power plant, about 200 miles of main highway, and a railroad from the mine at Toquepala to the ocean. Parent companies are American Smelting and Refining, Cerro de Pasco Corporation, Phelps Dodge Corporation, and Newmont Mining Corporation.

Purchasing Policy—Requisitions originate in Peru but practically all orders are placed by the American Smelting and Refining Co., Room 3537, 120 Broadway, New York 5, New York; attention: F. H. Eichler, general purchasing agent. Generally the requisitions do not specify a manufacturer, although the men in the field are free to state their preference. The New York office will adhere to this request if the price differential is not excessive. The company prefers U.S. equipment and supplies. The only orders placed locally are for goods made in Peru or for emergency supplies.

Canadian companies wishing to sell to the Southern Peru Copper Corporation should ensure that their names are on the records of American Smelting and Refining Company.

Cerro de Pasco Corporation
Carabaya 891
Lima, Peru

This company, Peru's major producer of lead, zinc, and copper, as well as some bismuth, silver, gold and other metals, is a subsidiary of a U.S. firm. It works five underground mines, one of which is to be converted to open-pit mining. The capacity of its electrolytic zinc refinery is to be increased from approximately 32,000 to 52,000 short tons of special high-grade zinc a year. The firm operates five concentrators, one of which is to be expanded.

Purchasing Policy—Requests for machinery and material originate in

Automatic loading equipment conveys Panamerican Commodities S.A.'s high-grade iron ore into the hold of an ore carrier. The company owns its own port and a road system connecting the Acari Mine in southern Peru with the nearby coast.

Peru, but the order is placed by the Cerro de Pasco Corporation, 2nd Floor, 300 Park Avenue, New York 22, New York; attention: D. A. Bancel, purchasing manager. Its purchasing policy is similar to that of Southern Peru Copper Corporation, with the difference that the men in the field are not usually permitted to specify the manufacturer they prefer.

Panamerican Commodities S.A.
A.M. Quesada 247
Lima, Peru

This is a Peruvian firm that owns a deposit of high-grade iron ore near the coast at Acari, south of Lima. The mining, processing and hauling of the ore to the coast are done under contract by Wells Overseas Limited, the Canadian subsidiary of Wells-Fargo Incorporated of the United States. In addition to its open-pit mines, the company has its own port and road system.

Purchasing Policy—Practically all orders are placed by Panamerican Commodities S.A. in Lima by dealing directly with the manufacturer, and not through the Peruvian representatives. Occasionally a purchase is made on its behalf by Wells-Fargo Inc., P.O. Box 430, Las Vegas, Nevada.

Marcona Mining Company
Camana 780
Lima, Peru

This Peruvian firm owned by the Utah Construction & Mining Company and Cyprus Mines Corporation of the United States operates under a long-term lease the iron ore deposits owned by the Peruvian government steel company, C poracion Peruana del Santa. T proven iron ore reserves are o 200 million tons; the deposits located near the Acari mine ab 300 miles south of Lima. The co pany is building a new beneficiati plant and a new pier, and adding its ore-handling equipment.

Purchasing Policy—Whene possible orders are placed by Lima office, which either buys cally from the stocks of Peruvi importers or places direct ord with foreign manufacturers. T only exception to this policy occ when the parent company, Ut Construction, is able to obt faster delivery through its San Fra cisco connections. The order is th placed by Marcona Mining C (U.S.), 141 Battery Street, S Francisco, California, (same a dress as Utah Construction). ●

TRANSPORTATION NOTES

Australia

PLAN LARGE WHARF—The Maritime Services Board will construct a 3,000-foot continuous-frontage wharf at Darling Harbour, Sydney. It will be able to handle seven ocean-going ships and will replace existing facilities. Cost of the project is estimated at about A£4 million—Sydney.

Brazil

CARGO SUPERVISION INCREASED—Because of the increase in pilferage, damage to and loss of merchandise shipped by sea, the Brazilian Government has established regulations that provide for improved handling and stricter supervision of cargoes. The nature, weight and volume of merchandise is to be checked at every stage where responsibility for goods passes from one party to another (packing, transporting, warehousing, loading and unloading). A receipt will be issued at each stage and a final report made stating the number of cases pilfered or damaged. These will be set aside for later inspection.

The Brazilian Assurance Institution and foreign insurance companies are to appoint representatives to port administrations and warehouses and they will attend surveys made of damaged and pilfered merchandise. Shipments that show no signs of damage t pilferage but which are found to contain merchandi other than specified, or in lesser quantity, will regarded as damaged or pilfered and will be subject the usual survey—Rio de Janeiro.

Canada

OCEAN FREIGHT RATES TO BRITAIN—Shippe and consignees are notified that as a result of rece additional operating costs which the steamship cor panies are unable to absorb, the members of t Canada-United Kingdom Conference have reluctant decided that until further notice the freights on traffic to United Kingdom and Eire ports shipped vessels scheduled to sail from Canadian Maritime, Lawrence River and Great Lakes ports on and aft November 1, 1961, will be subject to a surcharge 2½ per cent—Transportation and Trade Services Div sion, Ottawa.

Colombia

TRANSPORT FACILITIES SURVEYED—The C lombian Government and the World Bank are planni

survey of Colombia's transport facilities and requirements, to be made by a New York firm. The Colombian National Railways has engaged another firm to advise it on management and investment programs. These companies will draw up a co-ordinated program for the period 1961-65, providing for priorities for investment in highways, railways, ports and airports—Bogotá.

enmark

EW CHARTER COMPANY—A new Scandinavian charter aviation company, Scanair, was formed recently in Copenhagen, with branch offices in Stockholm and Oslo. It will operate initially a number of SAS DC-7's with flight crews from the same company. The share capital is Danish Kr.600,000. Of this, 45 per cent is held equally by the parent companies, SAS, the Swedish ABA, the Norwegian DNL, and the Danish DDL. The remaining 55 per cent comes from private companies in the three countries; the Swedish Saab Aircraft Company is a major shareholder.

The first flight, carrying Scandinavian tourists, was made in the middle of August and for the 1961-62 winter season some 300 flights are planned. Most of these will go to Spain and other Mediterranean countries. It is estimated that the number of Scandinavians transported by charter companies this year will total about 300,000; by 1965 the figure is likely to reach 30,000—Stockholm.

aly

ORT AND PIPELINE—A new port to handle petroleum products is being built in the Multedo area of Genoa. Four parallel docks, each about 230 to 360 yards long and able to accommodate tankers up to ,000 tons, will be constructed. Although traffic in petroleum products through the port of Genoa in 1960 was not much over 9 million tons, the new port of Multedo will handle up to 30 million, because an 30 million pipeline to carry oil from Genoa to Switzerland and Germany is now under construction. The pipeline will branch off in three directions: two lines will carry the oil to Germany and one to Switzerland. Refineries are being built at each of the three terminals and four deposits for the storage of oil will also be fed by the pipeline—three in Italy and one in Germany. Work on the pipeline is expected to be completed by the end of 1963—Rome.

adeira

ERODROME—The $2.38 million contract for building the Santa Catarina aerodrome on the island of Madeira has been awarded to a firm in the north of Portugal.

The aerodrome will be the second built in the archipelago but because of the local topography it will have one runway only; the first is better situated and was completed a year ago on the island of Porto Santo.

Despite its small size, the new aerodrome will cost more than the $2.38 million quoted. In addition to the cost of construction, indemnities paid to landowners in the area are high. The Government has already spent over $1 million on these and on preparatory study and research—Lisbon.

The Netherlands

NEW ZEALAND SERVICE—The Stoomvaart Maatschappij Nederland of Amsterdam and the Koninklijke Rotterdamsche Lloyd of Rotterdam will launch a joint freight service from New Zealand to Europe in October. The monthly service is expected to assume importance in the increasing trade between the two countries. Ships will load cargo in the main New Zealand ports and will call at other New Zealand ports if cargoes warrant. Return voyages will be routed via the Panama Canal to Dunkirk and harbours of the Antwerp-Hamburg range and, if necessary, other European ports. Ships of the two companies have been plying independently between Europe and New Zealand since the beginning of the year—The Hague.

NEW SHIPPING COMPANY—Three Rotterdam shipping companies have jointly established the Bacoro Lijnen N.V., a shipbroking and shipping company. The companies—Wm. H. Müller and Co. N.V., Hudig and Pieters Algemene Scheepvaart Mij. N.V., and Cornelders Scheepvaart Mij. N.V.—have jointly supplied 100,000 guilders of the authorized capital of 500,000, which is divided into 1,000 shares of 500 guilders each.

The firm has been in operation since May, when it took over the freight services from Rotterdam and Dordrecht to London and Chatham from the three participating firms. These services include Müller and Co.'s Batavier Line and they are run with ships owned by the parent companies—The Hague.

Nigeria

LINE NATIONALIZED—The federal government took over control of the Nigerian National Line on September 1, 1961. The National Line was set up in 1958 under joint control of the Federal Government (51 per cent of the shares), Elder Dempster Lines Limited (30 per cent), and the Palm Line Limited (19 per cent). Operations began in June 1959 with three ships but the line now operates ten—five owned and five chartered—Lagos.

Venezuela

FUNDS FOR HIGHWAYS—The Minister of Public Works has announced that the World Bank has agreed to grant Venezuela a U.S.$40 million loan to finance construction of the Tejerias-El Valle and Valencia-Puerto Cabello highways—Caracas.

A Look at India's Trade

Since 1951, two of India's Five Year Plans have been completed; the final blueprints for a Third Plan have just been made public. This makes it opportune to examine briefly what has happened to India's trade under this program in the past decade—and particularly what has happened to Canada's trade with India.

GERALD A. NEWMAN,
Commercial Counsellor, New Delhi.

THE speed-up of industrialization in India began to gather momentum during the course of the Second Five Year Plan that began in 1955-56. In spite of the application of a severely restrictive import policy since the middle of 1957 (which eliminated nearly all imports except those required to support the Plan), there was an increasing imbalance of trade through a rise in imports, as Table I shows.

TABLE I

BALANCE OF MERCHANDISE TRADE

Year	Imports	Exports	Balance of trade
	(millions of Can.$)		
1950-51	1,309	1,263	— 46
1955-56	1,480	1,280	—200
1956-57	1,748	1,286	—462
1957-58	2,087	1,305	—782
1958-59	1,690	1,197	—493
1959-60	1,788	1,356	—432

A rise in imports was to be expected with the sharpened need for imported capital goods and materials to provide a basis for the country's take-off into industrialization. Table II illustrates this.

Exchange Shortage Crucial

It is easy to understand the rather static position of exports in a country whose shipments abroad are primarily agricultural—with tea, jute and cotton manufactures accounting for nearly 50 per cent of the trade. The resulting imbalance, however, is not as severe as the figures suggest, because the import figures include all shipments received under aid programs, which are substantial. Nevertheless, accelerated industrialization under the Plans is placing a severe strain on India's foreign exchange positio as Table III shows.

The gradual weakening of I dia's foreign exchange positio

TABLE II

IMPORTS OF PRINCIPAL COMMODITIES

Commodities	1957	1958	1959	1960
	(millions of Can.$)			
Machinery other than electric	361	294	307	376
Iron and steel	309	205	176	233
Petroleum products	163	127	144	117
Transport equipment	159	28	148	127
Electrical machinery and appliances	128	103	105	113
Raw cotton	102	64	73	158
Wheat, unmilled	73	216	231	217
Petroleum, crude and partly refined	63	33	21	48
Chemical elements and compounds	61	60	86	83
Manufactures of metals, n.o.p.	47	32	49	37
Textile yarns and thread	40	29	31	30
Copper	38	28	34	48
Rice	36	93	19	39
Medicinal and pharmaceutical products	34	21	19	23
Fresh fruits and nuts	33	26	24	28
Raw wool and hair	27	23	19	23
Paper and paperboard	26	17	20	24
Oilseeds, nuts and kernels	26	22	24	25
Coal tar dyestuffs and natural indigo	23	14	15	19
Aluminum	17	13	13	15
Miscellaneous chemicals and products	17	12	16	20
Zinc	15	13	11	19
Raw jute and waste	15	7	3	17
Crude minerals (excluding coal, petroleum, fertilizer materials and precious stones)	14	11	13	15
Total of above items	1,827	1,491	1,621	1,854
Grand total (including other items)	**2,154**	**1,815**	**1,864**	**2,124**

TABLE III

FINANCING BALANCE OF PAYMENTS DEFICIT

	1956-57	1957-58	1958-59	1959-60	Apr. 196 Sept. 196
		(millions of Can.$)			
Official loans (net)	65	242	459	390	248
Drawings on IMF	115	73		—50	—22
Other capital transactions	8	214	186	51	62
Draft on foreign exchange reserves	465	546	89	34	116
Errors and omissions	3	—21	—46	—45	—30
Current balance-of-payments deficit	656	1,054	688	380	374

*Preliminary figures.

TABLE IV

EXPORTS TO PRINCIPAL COUNTRIES

ountries	1952	1956	1957	1958	1959	1960
	(millions of Can.$)					
nited Kingdom	264	393	336	347	352	357
nited States	245	189	256	194	200	208
pan	53	65	53	54	72	71
ustralia	49	47	52	45	40	45
.S.S.R.	—	26	37	49	64	63
eylon	—	45	35	42	47	39
ermany (West)	26	32	34	31	41	39
ANADA	27	33	29	31	32	36
urma	49	21	28	16	27	15
gypt	14	23	23	18	19	30
ance	13	12	21	15	17	16
etherlands	22	25	18	14	19	15
aly	22	17	15	12	12	17
akistan	99	17	14	15	13	20
otal of above	883	945	951	883	955	971
rand total (includ- g other countries)	**1,288**	**1,271**	**1,339**	**1,198**	**1,293**	**1,308**

TABLE V

IMPORTS FROM PRINCIPAL COUNTRIES

Countries	1952	1956	1957	1958	1959	1960
	(millions of Can.$)					
United Kingdom	313	437	501	354	363	423
United States	573	198	358	339	410	504
Germany (West)	51	172	258	197	249	237
Iran	—	—	116	69	75	72
Japan	41	91	114	83	86	114
Italy	24	55	64	54	54	51
France	27	41	60	36	40	38
U.S.S.R.	—	31	48	46	35	28
Belgium	—	49	46	35	28	34
Australia	32	25	35	32	25	47
Malaya	—	—	30	23	22	29
Saudi Arabia	33	45	29	41	42	40
CANADA	62	15	29	73	47	31
Pakistan	62	44	28	13	12	53
Burma	65	12	28	96	28	41
Netherlands	26	30	27	21	28	27
Egypt	42	33	22	13	17	36
Kenya Colony	41	41	20	24	24	30
Total of above	1,392	1,319	1,813	1,549	1,585	1,835
Grand total (including other countries)	**1,683**	**1,698**	**2,154**	**1,815**	**1,864**	**2,124**

hich has now reached a level of bout Rs.125 crores ($264 milon), is the key to India's foreign ade in the past five years and is kely to govern with equal force uring the Third Five Year Plan, 961-66. It has given rise to a great mphasis on increasing exports. The nport control policy has been odified to provide incentives for xports; a Foreign Trade Board and Directorate of Export Promotion ave been set up, with Export Proiotion Councils for different comiodities; exhibitions in the comiercial centres of the world have een expanded; the State Trading orporation has become increasgly active, and a number of trade greements have been negotiated.

In spite of this intensified effort, owever, the forecasts of annual xports under the Third Five Year lan to the amount of $1,600 milon by 1965-66 will not catch up imports. To attain this figure, it expected that there will be modrate increases in exports of tea, ashew nuts and sugar; a rise in on-edible agricultural products, ich as jute manufactures; a noble increase in the export of iron e, and an encouraging expansion the relatively new exports of etal and engineering products, ich as sewing machines, bicycles, ectric fans and other items.

TABLE VI

EXPORTS OF PRINCIPAL PRODUCTS TO CANADA

Items	1952	1956	1958	1959	1960
	(thousands of Can.$)				
Jute woven fabrics and jute bags	10,581	10,113	10,315	10,643	9,975
Tea (all black tea)	8,051	10,788	9,715	8,221	8,483
Cotton woven fabrics	403	2,762	2,347	2,636	3,264
Peanuts	1,940	653	24	1,445	1,662
Wool carpets and rugs	931	1,027	1,120	1,425	1,193
Pepper (all ground)	1,422	412	327	382	872
Cashew nuts (all shelled)	871	1,062	1,333	1,162	1,454
Manganese ore	402	1,091	120	381	—
Walnuts (almost all shelled)	163	70	166	585	263
Lac	204	285	181	159	166
Coir mats, matting, etc.	178	235	208	243	228
Raw wool	94	128	24	86	41
Paraffin wax	—	333	212	108	30
Mica (unmanufactured)	265	152	164	90	31
Jute yarn, thread and twine	—	181	222	154	99
Leather (unmanufactured)	68	136	78	60	32
Canvas shoes with rubber soles	15	242	190	174	265
Raw cotton	275	82	46	30	—
Rhesus monkeys (for the manufacture of anti-polio vaccine)	—	195	76	220	182
Total of above items	25,863	29,947	26,868	28,204	28,240
Grand total (including other items)	**26,822**	**30,898**	**27,696**	**29,297**	**29,352**

The need to preserve India's foreign exchange balance through the use of tied aid programs, rupee trade agreements and barter deals is producing a marked change in the country's direction of trade, particularly in imports. It is true that the United Kingdom and the United States continue to be India's principal markets and sources of supply. During 1959, for example, the United Kingdom took 27.2 per cent of India's exports and the United States 15.4 per cent. But

TABLE VII

IMPORTS OF PRINCIPAL ITEMS FROM CANADA

Items	1952	1956	1958	1959	1960
	(thousands of Can.$)				
*Wheat	38,572	—	39,960	17,042	2,209
*Locomotives and parts	—	9,831	—	264	64
*Copper in ingots, bars, billets etc.	1,517	3,336	5,685	4,534	6,759
*Aluminum in primary and semi-fabricated forms	769	1,845	5,737	6,809	8,101
Motor vehicles and parts (excluding tractors)	1,719	875	1,035	1,224	542
Newsprint	1,408	1,762	548	433	311
Wood pulp	683	1,180	2,011	3,767	4,255
Railway rails	—	68	7,584	—	—
Zinc spelter	1,505	245	131	40	2,747
*Electrical apparatus, n.o.p.	9	87	2,040	1,711	3,213
*Structural steel	—	379	2,073	1,771	4
Cartridges for guns, rifles, etc.	2,570	62	325	—	—
*Aircraft and parts	73	666	2,771	25	57
Drugs and chemicals (chiefly synthetic rubber and acetylene black)	143	804	496	977	370
*Chemical fertilizers (chiefly ammonium sulphate)	—	—	—	965	2,423
*Dynamos, generators and parts	2	392	633	1,920	33
*Railway ties	—	—	—	3,275	1,912
*Iron and steel bars, rods, plates, sheets, strips, etc.	289	575	185	139	516
Powdered milk	393	354	61	1,126	2
Photographic film	698	265	neg.	2	1
*Transformers and parts	—	163	283	1,257	82
Radio and wireless apparatus (except batteries)	14	282	4	79	39
Internal combustion engines and parts	134	359	259	109	145
Polystyrene	597	39	—	—	—
*Pipes, tubings and fittings of iron and steel	—	neg.	1,127	253	14
Copper wire, bare and insulated	783	9	11	123	9
Farm implements and parts (including tractors)	247	14	2	8	—
Pulp and paper mill machinery	6	3	53	8	14
Sparkplugs	137	82	3	1	—
Wood, unmanufactured and semi-manufactured	155	67	5	2	—
Drugs and medicinal preparations	242	122	123	—	1
Asbestos, unmanufactured	39	187	99	459	967
Copper scrap	—	151	99	235	212
*Nickel, fine	—	108	199	559	849
Calcium compounds (chiefly calcium carbide)	196	97	49	27	11
Mining machinery	27	53	627	140	59
Total of above items	52,927	24,462	74,218	49,284	35,921
Grand total (including other items)	**55,423**	**25,714**	**79,110**	**53,776**	**36,814**

*Items imported under the Colombo Plan aid program in whole or in part.

under the impress of massive aid from the United States, imports from that country in the same year represented 22.0 per cent of India's total imports, compared with 19.5 per cent from the United Kingdom. Under rupee trade agreements, Eastern European countries (including the Soviet Union, Poland, Czechoslovakia, East Germany, etc.) have increased their trade with India, particularly exports to India, which have risen from $98.1 million in 1951-52 to $126.7 million in 1960. Apart from the United Kingdom and the United States, imports from West Germany have exhibited the most striking increase during the past ten years.

Tables IV and V show the exports to principal countries and imports from principal countries for selected years over the ten-year period, 1951-52 to 1960.

What Canada Buys

It is against this background of a country striving under forced draft to reach a self-supporting industrial status and seriously short of foreign exchange that Canada must co sider its own trade relations wi India.

From the Indian point of vie the picture is rather an encouragi one. Canada imported commercial from India commodities (tea, jut cotton, etc.) to the average val of $30.3 million a year over th past ten years (1951-1960). O commercial sales to India (le Colombo Plan aid of an avera of $13.9 million over the past ni years, i.e., 1951-52 to 1959-6 totalled about $25.6 million a ye over the same period, yielding I dia a favourable balance of abo $4.7 million a year in commerci transactions alone—without taki aid figures into account. These a very general figures in which ave ages have been used to offset th carryover each year under Colomb Plan allocations (these figures i clude services but are so modest to be of no significance for o purpose).

India's principal exports to Ca ada are shown in Table VI.

What Canada Sells

On the other hand, India's im ports from Canada have tended decline under the Five Year Plan Concentrating, as India must, o capital goods and industrial mate rials, this has meant the exclusio of consumer goods. Countries oth than Canada, such as the Unite Kingdom, the United States an West Germany, have been meetin the need for machinery and equip ment, so that imports from Canad (apart from those supplied as ai under the Colombo Plan) hav been restricted mainly to industri materials. This is evident fro Table VII, showing principal im ports from Canada.

Although it is evident that Ca ada's exports to India are restricte by the severe shortage of foreig exchange, it is expected that wi increased industrialization there wi eventually be greater demand fo the industrial commodities th Canada is equipped to supply. ●

H. E. LEMIEUX, *Trade Commissioner, Guatemala City.*

Nicaragua's Import Licensing System

Canadian companies exporting to this market or interested in making an initial approach will find this information on the current import licensing system and terms of payment helpful.

IMPORT licences or "registrations" are necessary for nearly all imports into Nicaragua and Canadian exporters are urged to make sure that the Nicaraguan importer has obtained the licence before they ship any merchandise to him. Under a new law published on June 17, 1961, the following products are exempt from both the registration and prior deposit requirements: samples, replacements for lost or damaged merchandise, gifts with an f.o.b. value of less than U.S.$100, personal luggage, personal effects, and advertising material. Nicaraguan importers who neglect to obtain the corresponding import licence are subject to fines under Nicaraguan law. More important to Canadian exporters is the fact that under such circumstances, Nicaraguan Government authorities may disallow delivery of the goods to the defaulting importer on their arrival in Nicaragua. There is no provision for such imports to be diverted to another customer in that country.

Although Nicaragua enjoys one of the best credit ratings in Latin America, the granting of an import licence should not be regarded as a legal guarantee that foreign exchange will be supplied for payment of the import shipment. In the last decade, however, remittances abroad have been made promptly and there is nothing to indicate slower payments in the near future. Nevertheless, Canadian exporters should bear in mind that foreign exchange regulations, especially in this part of the world, can be put into effect at very short notice. At present all imports are payable at the official selling exchange rate of 7.05 cordobas per U.S. dollar.

Prior Deposits

Merchandise imported into Nicaragua is classified in three categories or lists. List I covers essential goods, List II semi-essentials, and List III non-essentials (i.e., all goods not included in Lists I and II). The Latin American Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, has these lists and Canadian exporters can find out readily by writing directly to that Division the categories into which their products fall.

To obtain a licence to import goods included in List II and List III, a prior deposit must be made in a bank in Nicaragua, equivalent to 100 per cent of the c.i.f. value of the order. For goods in List III, import licences are granted only 30 days after the prior deposit has been made. Imports of essential goods—that is, those included in List I—need not be covered by a prior deposit for the corresponding import permits to be issued. This bears witness to the fact that though the prior deposit does give the exporter some assurance that he will be paid for his goods, this may be accidental. The requirement is primarily intended as a deflationary measure and not to protect the foreign exporter against non-payment. For goods included under List I, although no prior deposit is required the Nicaraguan importer cannot take possession of these imports unless he has obtained an import licence.

Prior deposits are made in the name of the importer and not of the commission agent. They apply automatically to orders covered specifically by the import licence on the importer's delivery of corresponding receipts and the bank copy of the import licence. All such deposits are made at the rate of seven cordobas to the United States dollar. However, a tolerance of up to 10 per cent of the f.o.b. value of the order is allowed on each licence, provided that the excess is not due to an increase in the amount of merchandise shipped. Such an increase makes the importer liable to a fine. If the *value* of the goods shipped exceeds the 10 per cent

tolerance, the importer must apply for another import licence to cover the difference. These extra licences or permits are readily granted provided a reasonable explanation is given—for example, price increases.

Refund of Deposits

Import licences (referred to sometimes as "registrations") are valid for six months from the date of issue so far as shipments are concerned and for two months after the commercial bank receives the draft for payment. The importer can only withdraw prior deposits if the corresponding import licence has not been used and its validity has expired. To obtain remittance of a prior deposit, the importer has to present proof from all commercial Nicaraguan banks that they have no outstanding collection against the corresponding licence. The importer must also submit a letter from the foreign supplier certifying that he has not shipped any goods against that specific licence. Only if the exporter supplies the importer with a letter attesting to his inability to fill the order and will therefore not ship against the corresponding import permit can the latter obtain a refund of the prior deposit. In other words, Nicaraguan importers cannot have the prior deposit refunded without the express consent of the seller abroad. But we must emphasize again that the prior deposit system is not intended primarily to protect the exporter abroad. Though there is nothing in Nicaraguan law to guarantee this, the consensus is that in bankruptcy and other legal proceedings, a creditor could probably attach a debtor's prior deposits so long as these were made on account of business with the creditor in the first instance.

Exempted from the prior deposit requirement are government imports or those made by public service organizations.

Terms of Payment

A new law that came into force on June 17 regulates exchange operations. Payment for imports must be made by sight draft but in a few special circumstances the Central Bank of Nicaragua (officially called the Banco Nacional de Nicaragua) may authorize payment in advance or by letters of credit. The Central Bank may also authorize imports on consignment or imports the value of which is covered by credits obtained outside the country. But in all cases such imports must be goods classified in the essential category (not subject to prior deposit) or capital goods, regardless of their classification, provided these are imported under medium-term financing conditions and are intended to increase local production.

The new law also sets out exchange regulations on invisible imports, but in all cases previous authorization must be obtained from the Central Bank for the sale of the required foreign exchange. The Bank's authorization may be obtained only for the settlement of the following: students' expenses abroad; insurance and reinsurance premiums; profits, interest and amortization payments on registered foreign investments and credits; technical services contracted for in foreign countries, and operations between the Central Bank of Nicaragua and the Central Bank of other Central American countries, as well as the newly-formed Central American Bank for Economic Integration—that is, the Central American Common Market Bank.

Commercial banks may readily obtain the transfer of prior deposits amongst them through a special clearing account maintained for the purpose by the Banco Nacional de Nicaragua.

Because of the import licensing system now in force and the prior deposit requirement, prompt delivery of goods to the importer after he has placed the order and the existence of the corresponding import licence has been proved of the utmost importance in the competitive Nicaraguan market. ●

Netherlands Bicycle Industry

RECENT reports published b Netherlands manufacturers of bi cycles reveal that this branch o industry is doing well at the moment In 1960, it produced 617,700 bicycle and exported 158,200; this compare with 686,557 produced and 196,60 exported in 1959. Exports have fluc tuated more than production over th last seven or eight years. In 1952 for example, about 185,000 bicycle were shipped abroad; by 1955 thi figure dropped to 56,600. It rose to new high in 1959 and decrease slightly last year.

The increase in output and sale has resulted largely from the growin popularity of motorized bicycles. A extensive advertising campaign spon sored by the bicycle manufacturer has also been a factor in the large sales. A recent study showed that th average annual sales made by manu facturers of bicycles and motorize bicycles rose from $624,000 in 195 to $1,638,000 in 1959. These figure cover sales made by factories em ploying more than 50 workers.

Although the Netherlands is a fairly large exporter of bicycles, th number of countries to which the are shipped is small. Formerly In donesia offered a good outlet bu when shipments to that country ceased, Dutch manufacturers tried to increase their sales to the United States and achieved a remarkable success. Out of export sales worth $2.9 million in 1960, sales to the United States totalled $2.34 million Other leading markets were West Germany $240,000, Canada $157,000, Surinam $39,500, Netherlands Guinea $34,600, Belgium-Luxembourg $33,800, and the United Kingdom $27,000.

The recent revaluation of the guilder will make it difficult fo Netherlands exporters to face the keen competition in a number of foreign markets. In the long run, the Euromarket will probably offer good prospects. At the moment, the Netherlands bicycle industry supplies more than 90 per cent of domestic requirements but it may be assumed that with the gradual breaking down of the tariff walls within the Common Market, sales to the member countries will be stepped up. West European economic integration will result in an open market of 175 million consumers, although competition from West European factories with a much larger production capacity and possibly better manufacturing equipment will increase. ●

—N. RIEMEYER, *Office of the Commercial Counsellor, The Hague.*

COMMODITY NOTES

luminum Foil

/ENEZUELA—A new company, Aluminio Nacional (Alnasa), has been formed jointly by the Kaiser Aluninum Company of the United States and local intersts. It will establish a plant at Guacara in the central ndustrial area of the country to produce aluminum foil or packaging manufacturers. Total investment is estinated at 1.6 million bolivars—Caracas.

ement

AMAICA—The Caribbean Cement Company Ltd. lans to spend approximately $7 million this year to dd a third kiln to its plant in Kingston. The addition vill boost production by 50 per cent within the next wo years and the firm expects to be able to enter the xport field. Ancillary equipment, such as raw and nish mills, a packing plant, silos and an extension to e existing electric-power plant, is included in the lans—Kingston.

elicopters

RANCE—Sikorsky Aircraft (Division of United Airraft Corporation) and the French company, Sudviation, have concluded an agreement whereby the J.S. firm will offer technical assistance to Sud-Aviation n the development and construction of the *FRELON 210* super-helicopter.

This new aircraft, specially designed for military ses, will weigh 24,250 pounds, and will be powered y three Turbomeca engines of 1,300 horsepower each. he French Government has already ordered two proitypes of the *FRELON 3210*—Paris.

gnition Coils

OUTH AFRICA—The Instrument Manufacturing orporation of South Africa, Cape Town, has aranged with General Motors to manufacture GM's elco-Remy ignition coils for the first time in South frica. The Cape Town firm produces the tellurometer—a radio device considered an important scienfic achievement. The Canadian branch of the comany, Tellurometer Canada Ltd., is at Ottawa—Cape own.

ron Ore

TALY—The Montecatini Company, Italy's largest nining and chemical company, is building a modern ctory at Follonica (near Grosseto) for processing on pyrites. The plant is expected to start operations June 1962, with initial annual production of 170,00 tons of iron ore and 350,000 tons of sulphuric acid. It will use new patented processes for extracting ferrous minerals from pyrites as primary products.

The pyrites will be brought to the plant by cableway from a nearby mine, at the rate of 1,300 tons a day. Two roasting furnaces will release the sulphurous anhydride content from which the sulphuric acid will be obtained. The solid residues of impure iron oxide will be placed in special furnaces for purification. The product thus obtained will have an iron content of approximately 56 per cent; it will then undergo a further agglomerating process to render it suitable for use in steel mills.

The heat generated in the roasting furnaces will also be used to make steam for a thermoelectric plant producing 60 million kilowatt hours for the nearby Montecatini mines—Rome.

Kraft Liner

SWEDEN—A new 86-million-kroner kraft liner mill at Munksund is now ready to start production and plans are already being discussed to extend it. In 1954 Munksund's sulphate mill produced only 50,000 tons of unbleached pulp a year; however, this was successively increased to 75,000 tons. The entire output will now go to the new kraft liner mill, which will produce 100,000 tons a year. The mill is the largest of its kind in Sweden, although there are mills producing 400,000 tons in the U.S. and Finland.

To compensate for the loss of unbleached pulp from Munksund, the company is now extending its mill at Obbola, increasing production there from 40,000 to 110,000 tons.

At present, Sweden turns out only 60,000 tons of kraft liner a year. The additional 100,000 tons is equivalent to almost 30 per cent of total European production of kraft liner and Europe is expected to offer the largest market—Stockholm.

Pharmaceuticals, Cables

GHANA—Two contracts have been signed between the Government of Ghana and the COMPLEX Hungarian trading company, within the terms of the Hungarian-Ghanaian credit agreement of April 20, 1961. Under these contracts the Hungarian company undertakes to set up a complete pharmaceutical plant in Ghana with an annual capacity of about one million ampoules and 100 million tablets, and also a complete cable plant with a yearly capacity of about 3,600 tons.

Both contracts provide for Ghanaians to receive training in the operation and installation of the equip-

ment. The Hungarian company will also provide experts to assist Ghana in the technical management of the factories for an initial period—Accra.

Pumps

AUSTRALIA—A Sydney firm is achieving export sales of its high-yield axial-flow pumps. These can deliver 40,000 gallons an hour from a six-inch pipe, and are said to be the only axial-flow pumps to operate with up to 20 stages. They are made with stainless steel components that make it possible for them to handle water containing sand, dirt or corrosive chemicals with negligible effect. Horizontal gear, vertical belt and electric drive heads are air-cooled and do not require adjustment or mechanical maintenance—Sydney.

Sugar

NIGERIA—The Nigeria Sugar Syndicate Advisory Committee has decided to recommend the immediate formation of the Nigerian Sugar Company, to grow sugarcane on 6,500 acres of rich arable land at Baci in Ilorin Province, and to produce sugar in a factor next to the plantation.

The project will involve an investment of £3. million, and the necessary capital will be raised by th Investment Company of Nigeria Limited, in associatio with Bookers, who are to be the managing agents— Lagos.

Synthetic Rubber

BRAZIL—As part of the project to construct a syn thetic rubber plant in the state of Rio de Janeir PETROBRAS, the government-owned oil monopol will erect a butadiene plant adjacent to its oil refine in Duque de Caxias. For this purpose PETROBRA has signed a licensing arrangement with Hardy Proce Corporation of the United States. The unit will proce gases from the oil refinery, turning out an estimat 29,000 tons of butadiene a year. Since only 62 p cent of the work on the synthetic rubber plant h been completed, the principal raw materials, butadie in particular, will still be imported—Rio de Janeiro.

FOREIGN TARIFFS AND TRADE REGULATIONS

Ceylon

TARIFF CHANGES—A number of changes in the customs tariff were announced in the Ceylon budget of July 27. Among those of possible interest to Canadian exporters are the following (Canada receives the preferential rate):

	From		To	
	Preferential	General	Preferential	General
	(rupees or per cent)			
Acetic acid—per 44 lb. demijohn	—	.50	—	1.95
Formic acid—per 44 lb. demijohn	—	.70	—	2.20
Aromatic chemicals, essential oils and soap compounds:				
in small containers	40%	50%	70%	80%
otherwise (most)	20%	30%	25%	35%
Atomisers and sprayers	17½%	27½%	10%	20%
Beer and ale—per gallon	12.00	12.50	15.00	15.50
Playing cards	100%	110%	150%	160%
Cement—per cwt.	—	2.00	—	2.50
Dextrose—per cwt.	6.50	8.75	15.00	17.25
Christmas tree lights	17½%	27½%	45%	55%
Cinematograph films—per foot	.15	.16	.18¾	.19
Dry battery cells—per gross	—	7.50	—	10.
Eau-de-Cologne	—	40-50%	—	80-100
Electric light bulbs	17½%	27½%	45%	55
Agricultural tools	2½%	7½%	2½%	8½
Lawn sprinklers	17½%	27½%	100%	110
Leather goods, n.e.s.	15%	20%	100%	105
Cranes and hoists	15%	20%	20%	25
Road construction and mining machinery	17½%	27½%	15%	20
Earthmoving equipment and trailers other than for use in irrigation or agricultural schemes	2½%	12½%	22½%	32½
Prime movers, n.e.s.				
(1) oil	17½%	27½%	17½%	27½
(2) petrol and others	17½%	27½%	22½%	32½
Pumping machinery	10%	20%	11%	22
Sewing machines				
(1) industrial	20%	30%	2½%	12½
(2) other	20%	30%	25%	35
Slide projectors	—	27½%	—	60
Matches				
(1) boxes containing 60 or less—per gross of boxes	—	2.25	—	2.

	From		To	
	Preferential	General	Preferential	General
	(rupees or per cent)			
boxes containing more than 60—per gross of boxes	—	.75 per unit of 20 matches in each box	—	.80 per unit of 20 matches in each box
unboxed—per 1,000	—	.35	—	.38
Match splints—per 1,000	—	.01	—	.02
Veneers for match boxes—per 100 sets of boxes	—	.01	—	.02
Motor vehicle accessories	30%	37½%	50%	57½%
Motor vehicle spare parts	30%	37½%	50%	57½%
...e oil	—	17½%	—	15%
Baby carriages	30%	40%	55%	65%
Iron and steel safes	20%	30%	50%	60%
Toilet soap	60%	80%	80%	100%
Household and laundry soap	30%	50%	35%	55%
Whisky				
...e years or older—per proof gallon	—	237.50	—	277.50
Other—per proof gallon	—	275.00	—	315.00
Blankets	15%	25%	35%	45%
Cigarettes—per lb. net	39.25-40.75	41.25	47.75-49.25	49.75
Manufactured tobacco—per lb. net	45.00	45.75	53.50	54.25
Unmanufactured tobacco—per lb. net	36.10	38.35	44.60	46.85
Wireless goods and apparatus				
assembled	50%	52½%	55%	57½%
unassembled	50%	52½%	15%	17½%
other—including spare parts and batteries	10%	12½%	30%	32½%

Complete details may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

Iraq

1961 IMPORT PROGRAM ANNOUNCED—The Government of Iraq announced recently a list of products which may not be imported into Iraq during the calendar year 1961. All other items listed in the Customs tariff may be imported into Iraq subject to the requirement of an individual import licence. No information is available regarding quotas, which indicates that there are no quota limits for 1961.

The goods affected by this prohibition are listed under 48 separate items. Among the items which may be of interest to Canadian exporters are:

Certain types of furniture, pyjamas, woollen blankets, beer, tobacco, animal fats, edible vegetable oils, lubricating oil, toilet and washing soap, building brick and tile, ethyl alcohol, methyl alcohol, shovels and axes, carpentry nails, concrete and asbestos pipes, used newsprint, cotton or linen fishing nets.

The complete schedule of prohibited goods for 1961 may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Lebanon

LABELLING REGULATIONS FOR CANNED GOODS ANNOUNCED—New labelling regulations for canned goods were announced by the Government of the Republic of Lebanon in a Decree dated April 11 as published in the official *Gazette* of April 19, 1961. Imported goods also will be refused entry into Lebanon if the labels are not made in accordance with this Decree.

According to the Decree, manufacturers, packers and importers of canned goods in general, and canned milk in particular, must comply with the following labelling requirements. The label must show: (1) the date of manufacture and packing; (2) the contents and the formula of the contents; (3) the net weight at the time of packing; (4) the period during which the contents are considered consumable if this is required in the country of origin. All the above details must be in Arabic, or English, or French.

A delay of three months from the issue of this decree is provided for all manufacturers, packers and importers to comply with these regulations. After three months, the usual legal penalties will be imposed for non-compliance with this decree.

IMPORTS OF MILK POWDER—Regulations concerning the import of milk powder into Lebanon were set forth in two Decisions of the Lebanese Minister of Agriculture, dated July 21 and 31, 1961.

According to the Decision of July 21, the import of milk powder not containing fat or containing less than 25 per cent of fat is prohibited. This decision does not apply to milk powder destined to be used as animal feed, provided this product is mixed with bona flour or any other unharmful product and that the colour is other than white or yellow.

The decision of July 31 provides also that the prohibition of imports of milk powder containing less than 25 per cent fat shall not apply to milk powder for infants. Infant's milk powder with less than 25 per cent fat is permitted entry into Lebanon on condition that the product is packed in half-kilo containers.

Nicaragua

DOCUMENTATION REQUIREMENTS—Mr. H. E. Lemieux, the Canadian Government Trade Commissioner responsible for Nicaragua, advises that the Nicaraguan authorities now require that only five copies of the Consular Invoice and three copies of the Commercial Invoice be presented to the Consul for freight shipments to Nicaragua. Previously, eight copies of the Consular Invoice and four of the Commercial Invoice were required.

Turkey

NEW FOREIGN TRADE REGIME ANNOUNCED—The Council of Ministers of the Turkish Government issued a Decree on July 3, regarding the foreign trade regime for the period July 1 to December 31, 1961.

Under the Decree, the exchange of goods between Turkey and foreign countries shall be carried out in accordance with multilateral and bilateral agreements. Payments concerning exchanges of goods with countries with which Turkey has concluded such agreements shall be made in accordance with the provisions of the agreements in question. Payments concerning the exchange of goods with countries with which Turkey has no payments agreement shall be made in U.S. dollars for the dollar currency area, and for other areas in U.S. dollars or in currencies convertible into dollars.

The import of goods may be made only by real persons or legal entities holding an importer's certificate. No importer's certificate is required for imports by industrialists, exporters and mine owners for the exclusive needs of their commercial activities.

Import licences shall be valid only for the tariff heading indicated in the licence and goods indicated against the said heading in the import list to which they refer. Import licences shall be effective for a period of six months from date of issue. Goods imported against the free import list must have arrived at the Customs within that time. Imports against the other lists must be cleared from Customs within the time limit. The import time limit may be extended in urgent cases by not more than two months at a time.

Imports shall be made only according to the free import list, the list of goods to be imported with an allocation of foreign exchange, and the quota lists of agreement countries. Commodities on the free import list and the list of goods subject to quota may be imported from the European monetary area and the free exchange zone, including Canada.

Import licences are required for most goods imported into Turkey. Applications for import licence must be made to the authorized commercial bank within one month of publication of permissible imports for goods included in the quota list. Applications made for goods included in the quota list must not exceed 20 per cent of the quota to which they refer. No time limit is required for goods included in the free import list. Applications for import licence must be accompanied by a guarantee deposit of 10 per cent of the Turkish lira equivalent of the foreign exchange applied for. No guarantee is required for imports by industrialists.

Import licences are used for clearing the goods from the Customs. When the goods are imported, a photostat or copy of the import licence certified by a notary or authorized bank must accompany the import declaration.

Goods included in the free import list of interest Canadian exporters are: certain organic and inorgan chemicals; medicines, nylon fishing nets, motor vehic accessories, refractory bricks, aluminum powder a tubes, unwrought zinc, machinery parts, dairy m chines and implements, precision machinery a instruments.

Goods subject to quota limits of interest to Canadi exporters include: baby foods; asbestos; other chem cals; penicillin, streptomycin and other medicin synthetic resins and derivatives; pitprops; wood pul cellulose pulp; certain kinds of papers; manufactur of iron and other metals; aluminum wire, rods, flak cables and manufactures.

The status of any particular commodity is availal from the International Trade Relations Branch.

The West Indies

CERTIFICATE OF ORIGIN—Canadian exporters British Guiana and territories in The West Ind are urged to give careful attention to the preparati of certificates of origin for goods to be entered un the preferential tariff. Some Canadian exporters ha shown goods of United States manufacture as goods Canadian origin. Entries of this nature, even if ma inadvertently, involve the importer in difficulties w the Customs authorities. In such cases the entire sh ment is liable to seizure and the importer to a hea fine. To eliminate delays and expense in clearing goo Canadian exporters are advised to ensure that t invoice with accompanying certificate of value and origin are correctly made out.

Tours of Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, Uni Arab Republic, will visit Addis Ababa, Ethiopia, from O ber 15-21.

P. A. FREYSENG, Assistant Commercial Secretary in Vien Austria, will attend the Brno International Trade F Czechoslovakia, from Sept. 10-17.

C. R. GALLOW, Trade Commissioner in Johannesburg, So Africa, will visit Port Louis in Mauritius from Sept. 25-

P. V. McLANE, Trade Commissioner in Glasgow, Scotla and Belfast, Northern Ireland, will visit the latter city fr Sept. 11-15.

R. K. THOMSON, Commercial Counsellor in Vienna, A tria, will be in attendance on the Canadian stand at the B International Trade Fair, Czechoslovakia, from Sept. 17

E. J. WARD, Assistant Trade Commissioner (Timber), G gow, will visit Belfast, Northern Ireland, from October 16

Businessmen who would like these officers to undert assignments should get in touch with them at their post soon as possible. Write to Mr. Armstrong at Cairo, Mr. F seng and Mr. Thomson at Vienna, Mr. Gallow at Johan burg, Mr. McLane and Mr. Ward at Glasgow.

TRADE COMMISSIONERS ON TOUR

L. H. Ausman

R. W. Blake

L. A. Campeau

M. R. M. Dale

L. S. Glass

T. F. Harris

Canada

H. AUSMAN, Commercial Counsellor in Brussels, Belgium:

ntreal—Sept. 11-19	Vancouver—Sept. 25-29
nnipeg—Sept. 21	Toronto—Oct. 2-13

hen he completes his tour, Mr. Ausman will return to ssels.

W. BLAKE, Acting Director, Agriculture and Fisheries nch:

ntreal—Sept. 11-15	Toronto—Sept. 18-22

hen he completes his tour, Mr. Blake will go to King-, Jamaica, as Canadian Trade Commissioner.

L. A. CAMPEAU, Commercial Counsellor in Karachi, Pakistan:

Toronto—Sept. 11-15	Toronto—Sept. 22
Niagara Falls, St. Catharines —Sept. 18	Vancouver, Victoria—Sept. 25-29
Brantford—Sept. 19	Montreal—Oct. 5-12
Windsor—Sept. 20	Quebec—Oct. 13
Hamilton—Sept. 21	

When he completes his tour, Mr. Campeau will transfer to Beirut, Lebanon, as Commercial Counsellor.

M. R. M. DALE, Trade Commissioner in Cape Town, South Africa:

Charlottetown—Sept. 11, 12 (a.m.)	Halifax—Sept. 15
St. John's, Newfoundland—Sept. 13-14	

When he completes his tour and home leave, Mr. Dale will return to Cape Town.

L. S. GLASS, Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland:

Ottawa—Sept. 18-22	Hamilton—Oct. 16
Vancouver—Sept. 26-29	Kitchener—Oct. 17
Winnipeg—Oct. 2-3	Montreal—Oct. 19-24
Toronto—Oct. 6-13	Granby—Oct. 25

When he completes his tour and home leave, Mr. Glass will return to Salisbury.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans:

Ottawa—Sept. 11-20	Quebec—Oct. 4-5
Hamilton—Sept. 21-22	Montreal—Oct. 6-13
Toronto—Sept. 25-Oct. 3	

When he completes his tour and home leave, Mr. Harris will return to New Orleans.

I. V. MACDONALD, Commercial Secretary in Colombo, Ceylon, is returning to Canada via the Pacific and will be on duty September 26-28 in the office of the Western Representative, Trade Commissioner Service, 325 Granville Street, Vancouver. After leave and a short period of duty in Ottawa, Mr. Macdonald will go to Detroit as Consul and Trade Commissioner.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Te
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Phone:* 28-5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-3473
Australia	R. B. Nickson Commercial Counsellor	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Phone:* U-1304 *Telex:* CBA C217 (DOMCAN CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor for Canada P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97 *Telex:* 1-3380 (DOMCAN VIENNA)
Belgium Luxembourg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	L. H. Ausman Commercial Counsellor (absent) A. A. Lomas Acting Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 13.38.50 *Telex:* 0-2613 (DOMCAN BRU)
Brazil	Wm. Jones Commercial Counsellor (absent) Malcolm Rowan Acting Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Phone:* 42-4140 *Telex:* RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Phone:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Phone:* 91341
Chile	J. R. Midwinter Commercial Secretary J. M. Knowles Assistant Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Phone:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul R. A. Bull Assistant Commercial Secretary and Vice Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 8582 *Surface Mail:* Apar- tado 1618 *Cable:* CANADIAN *Phone:* 43-00-65

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Phone:* 2706 *Telex:* LEO 68 (DOMCAN LEO)
Cuba	P. A. Savard Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor J. C. Leith Vice Consul and Assistant Trade Commissioner	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Phone:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* BALzac 99-55 *Telex:* 2-0600 (DOMCAN PARIS)
Germany Federal Republic	J. A. Stiles Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 21971 *Telex:* 886421 OR 886422 (DOMCAN BONN)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Phone:* 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Phone:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner J. M. T. Thomas Assistant Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Phone:* 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tele
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor B. Horth Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Phone:* 74261
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Phone:* 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Embassy 32 Anatole France TEHRAN	*Mail:* P.O. Box 1610 *Cable:* CANTRACOM *Phone:* 4-9291
Ireland	M. J. Vechsler Commercial Counsellor for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 864-327 *Telex:* RMO 86 (RMO 86 DOMCAN OR RMO 56 DOMCAN)
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Phone:* 408-2101/8 *Telex:* TK 2218 (DOMCAN TK 2218)
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Phone:* 50955
Mexico	F. B. Clark Commercial Counsellor W. M. Miner Assistant Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Phone:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-41-11 *Telex:* 31270 (DOMCAN HAGUE)
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Phone:* 70-644 *Telex:* WGN 9 (DOMCAN WGN)
Nigeria	H. W. Richardson Commercial Counsellor (absent) C. T. Charland Acting Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	*Mail:* P.O. Box 851 *Cable:* CANADIAN *Phone:* 25262

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Phone:* 33-30-80
Pakistan Afghanistan	J. E. P. Lancaster Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Phone:* 50322 *Telex:* KRC 10
Peru Bolivia	K. G. Ramsay Commercial Secretary W. J. Jenkins Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Phone:* 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner (absent) R. M. Dawson Vice-Consul and Acting Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Phone:* 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner (absent)	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Phone:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Phone:* 74260
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Phone:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner (absent)	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Phone:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Phone:* 47-54-00
Sweden Finland	G. F. G. Hughes Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Phone:* 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44-63-81 *Telex:* 2-2386 (DOMCAN GENEVE)
Union of Soviet Socialist Republics	Commercial Counsellor (absent)	Canadian Embassy 23 Starokonyushenny Pereulok MOSCOW	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 415142
United Arab Republic Egyptian Region Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Phone:* 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tel[e]
United Kingdom	B. C. Butler Minister (Commercial) S. G. Tregaskes Commercial Counsellor W. Gibson-Smith Commercial Counsellor D. B. Laughton Agricultural Secretary E. J. White Commercial Secretary (Timber) W. A. Stewart Assistant Agricultural Secretary Geo. Hazen Assistant Commercial Secretary S. G. Harris Assistant Commercial Secretary	Office of the High Commissioner for Canada One Grosvenor Square LONDON, W.1	*Mail:* (City Address) *Cable:* SLEIGHING, LONDON, W.1 *Phone:* Mayfair 9492 *Telex:* 2-2526 OR 2-8240 DOMINION LDN) *Cable:* TIMCOM, LONDON, W.1
United Kingdom (Midlands, North England)	W. R. Van Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Central 0625
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner E. J. Ward Assistant Trade Commissioner (Timber)	Cornhill House 144 West George St. GLASGOW C.2	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* Douglas 6751
United Kingdom (Northern Ireland)	P. V. McLane Canadian Government Trade Commissioner E. J. Ward Assistant Trade Commissioner (Timber)	36 Victoria Square BELFAST	*Mail:* (City Address) *Phone:* 21867
United States	M. Schwarzmann Minister-Counsellor (Economic) R. R. Parlour Commercial Counsellor J. D. Blackwood Assistant Commercial Secretary J. MacNaught Assistant Agricultural Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States (Connecticut, New Jersey, New York) Bermuda	B. I. Rankin Deputy Consul General (Commercial) A. A. Caron Consul and Trade Commissioner R. D. Sirrs Consul and Assistant Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* JUdson 6-2400
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner L. D. R. Dyke Vice-Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston Street BOSTON 16	*Mail:* (City Address) *Phone:* COngress 2-1245

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	H. J. Horne Consul and Trade Commissioner N. L. Currie Vice Consul and Assistant Trade Commissioner D. A. Hilton Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* RAndolph 6-6033
United States (Michigan, Ohio)	Blair Birkett Consul and Trade Commissioner R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Phone:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Phone:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner (absent) G. E. Blackstock Vice Consul and Acting Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* JAckson 5-2136
United States (Delaware, Maryland, Pennsylvania, Virginia, West Virginia)	W. J. Millyard Consul and Trade Commissioner J. B. McLaren Vice Consul and Assistant Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	*Mail:* (City Address) *Phone:* LOCUST 35838
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Phone:* MUtual 2-3515
Uruguay Paraguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor D. I. Campbell Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	*Mail:* Apartado 11452-Este *Cable:* CANADIAN *Phone:* 32.40.41.44
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Counsellor R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Phone:* 34787
West Indies (Jamaica) Bahamas, British Honduras	Canadian Government Trade Commissioner (absent) C. G. Bullis Acting Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Phone:* 26948

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.03125.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 29	Units per Canadian dollar	Notes (See bel
Argentina	Peso		.01245	80.32	
Austria	Schilling		.03997	25.02	
Australia	Pound		2.3144	.4321	
Bahamas	Pound		2.8930	.3457	
Belgium and Luxembourg	Franc		.02069	48.33	
Bermuda	Pound		2.8930	.3457	
Bolivia	Boliviano	Free	.00008794	11,371.39	
British Guiana	Dollar		.6027	1.66	
British Honduras	Dollar		.7219	1.39	
Brazil	Cruzeiro	Free	.003771	265.18	
		Special Category	†	†	
Burma	Kyat		.2166	4.62	
Ceylon	Rupee		.2170	4.61	
Chile	Escudo		.9803	1.02	
Colombia	Peso	Certificate	.1539	6.50	
Congo, Republic of	Franc		.02071	48.29	
Costa Rica	Colon	Official	.1837	5.44	
		Controlled free	.1555	6.43	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1432	6.98	
Denmark	Krone		.1495	6.69	
Dominican Republic	Peso		1.03125	.9697	
Ecuador	Sucre	Official	.05729	17.46	
Egyptian Region, United Arab Rep.	Pound	Official	2.9613	.3377	
El Salvador	Colon		.4125	2.42	
Fiji	Pound		2.6063	.3837	
Finland	Markka		.003223	310.27	
France, Monaco, etc.	New Franc		.2098	4.77	
Franco-African Republics, etc.	Franc		.004196	238.32	
French Pacific	Franc		.01154	86.66	
Germany	D Mark		.2580	3.88	
Ghana	Pound		2.8930	.3457	
Greece	Drachma		.03437	29.09	
Guatemala	Quetzal		1.03125	.9696	
Haiti	Gourde		.2063	4.85	
Honduras	Lempira		.5156	1.94	
Hong Kong	Dollar	Free*	.1793	5.58	*Au
		Official	.1808	5.53	
Iceland	Krona	Official	.02398	41.70	
India	Rupee		.2170	4.61	
Indonesia	Rupiah	Official	.02291	43.64	
Iran	Rial		.01375	72.73	
Iraq	Dinar		2.8875	.3463	
Ireland	Pound		2.8930	.3457	
Israel	Pound		.5729	1.75	
Italy	Lira		.001661	602.05	
Japan	Yen		.002865	349.04	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 29	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3240	3.09	
Mexico	Peso		.08250	12.12	
Morocco	Dirham		.2063	4.85	
Netherlands	Florin		.2860	3.50	
Netherlands Antilles	Florin		.5468	1.83	
New Zealand	Pound		2.8930	.3457	
Nicaragua	Cordoba	Effective buying	.1562	6.40	
		Official selling	.1463	6.84	
Nigeria	Pound		2.8930	.3457	
Norway	Krone		1.446	6.92	
Pakistan	Rupee		.2170	4.61	
Panama	Balboa		1.03125	.969696	
Paraguay	Guarani	Official	.008185	122.17	
Peru	Sol		.03844	26.01	
Philippines	Peso	Free	.3764	2.66	
		Official	.5156	1.94	
Portugal & Colonies	Escudo		.03599	27.79	(5)
Republic of South Africa	Rand		1.4465	.6913	
Singapore and Malaya	Straits Dollar		.3375	2.96	
Spain and Dependencies	Peseta		.01707	58.18	
Sweden	Krona		.1994	5.02	
Switzerland	Franc		.2390	4.18	
Syrian Region, United Arab Rep.	Pound	Free	.2881	3.47	
Thailand	Baht	Free	.04512	22.16	(4)
Tunisia	Dinar		2.4853	.4024	
Turkey	Lira		.1146	8.726	(4)
United Kingdom	Pound		2.8930	.3457	
United States	Dollar		1.03125	.969696	
Uruguay	Peso	Free	.09388	11.07	
Venezuela	Bolivar	Official	.3079	3.25	
		Free	.2262	4.42	
West Indies Fed.	Dollar		.6027	1.66	(6)
	Pound		2.8930	.3457	(7)
Yugoslavia	Dinar	Official	.001375	727.27	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

HONDURAS

Area: 44,411 square miles.

Population: 1.7 million.

Climate: varies from tropical to subtropical.

Language: Spanish.

Currency: lempira; one lempira=Can.$0.5161.

Weights and measures: metric system.

Capital: Tegucigalpa.

Chief ports: Caribbean—Puerto Cortes, La Ceiba, Tela; Pacific—Amapala.

Marketing centres: Tegucigalpa (population) 112,057; La Ceiba 20,949, San Pedro Sula 54,268.

Economy: minerals, bananas, coffee, citrus fruits and forest products form the basis of the economy.

Total Honduran imports: 1959—U.S.$61.8 million.

Chief imports: (U.S.$ million) 1959—manufactured products 19.3, machinery and transportation 14.5, chemical products 8.1, groceries 7.0, oil and fuel 5.6.

Chief suppliers: (U.S.$ million) 1959—United States 32.8, Japan 5.1, Germany 4.5, El Salvador 3.7, Netherlands Antilles, Surinam, 3.6.

Value of imports from Canada: 1960—$1,416,128; 1959—$945,505.

Chief imports from Canada: 1960—upper leather $451,412, drugs and chemicals $232,133, flour of wheat $130,692, electrical apparatus $101,062.

Total Honduran exports: 1959—U.S.$67 million.

Chief exports: (U.S.$ million) 1959—bananas 32.1, coffee 1[illegible] wood 8.2, cotton 2.5.

Chief markets: (U.S.$ million) 1959—United States 36.0, [illegible] Salvador 6.0, Germany 5.8, Canada 2.9, Venezuela [illegible] Japan 2.5, Cuba 2.1.

Value of Canadian purchases: 1960—Can.$3,352,441; 195[illegible] Can.$2,904,999.

Chief Canadian purchases: 1960—bananas Can.$2,742,[illegible] coffee, green, $348,979.

Dollar exchange: no restrictions.

Prices: quote U.S. dollars, preferably c.i.f. Puerto Cortes [illegible] Amapala.

Samples: samples of no commercial value admitted free. D[illegible] on articles of value is refunded if product is re-expo[illegible] within 90 days.

Trade agreements: exchange of most-favoured-nation tr[illegible]ment with Canada.

Import controls, documentation, customs tariffs, marking [illegible] labelling: consult the International Trade Relati[illegible] Branch, Department of Trade and Commerce, Ottawa[illegible]

Canadian banks: Bank of London and Montreal Limited.

Correspondence: airmail essential; letters 10 cents per h[illegible] ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City, Guatemala, C.A.

Roger Duhamel
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FOREIGN TRADE

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COMING——A REVIEW OF BUSINESS CONDITIONS IN GHANA, OCTOBER 7 ISSUE

96691-1—1

The bustle of new building goes on in Sydney. The "Canberra" berths at a new terminal, and over on Bennelong Point, left centre, the new Opera House is being built. The tall building, right centre, is for the Australian Mutual Provident Society, and overlooking it all, Sydney's Harbour Bridge.

Australian Economy Readjust

Canadian exporters can expect fewer sales opportunities as A-tralia copes with balance-of-payments problems and attempts live within its export income. Prospects for long-term developm remain bright, promise larger trade, though pattern may cha

S. V. ALLEN, *Commercial Counsellor, Sydney.*

AUSTRALIA'S economy in 1961, in contrast to the buoyant conditions of 1960, has undergone a marked readjustment to a lower tempo of activity. Over-expansion in some industries in recent years, over-production, an excess of imports, and increased competition from abroad in 1960 have all tempered domestic business conditions this year. So have government fiscal measures affecting credit imposed in November 1960. These were needed to dampen down the economy, reverse the adverse balance-of-payments trend, and thus achieve more stable conditions "between inflation and deflation, between boom and depression," to quote a government White Paper of May 1961.

Although a nation-wide survey conducted recently by the Bank of New South Wales and the Chamber of Manufactures in Australia indicated that conditions are improving somewhat and the outlook for the remainder of the year is for a modest upturn in business, it is doubtful whether the prosperous and inflationary conditions of 1960 will return for some time. Much will depend on the Government's budget proposals due shortly and their effect on the country's econo Speculation centres on what Government will do to revive economy and especially to stimu consumer spending.

Whatever the results may be is unlikely that imports will rise the levels of 1960 and early 19 when record sales by foreign co tries to Australia, following the laxing of most import licensing 1960, posed a serious threat to foreign exchange resources.

The Bank of New South W in its June 1961 report states current problem thus: "The lemma and the risk for the Gov

ment in putting its policy of deflation into reverse is that of reactivating the domestic economy too widely before it is certain of resolving the fundamental problem of the large deficit in the balance of payments."

The year 1962 may be a slightly better one than 1961, but lacking a marked short-term increase in foreign exchange earnings from exports or increased foreign investment, Australia may still have to discourage any undue resurgence of imports that renewed prosperity and expansion will engender. Full employment and rising activity have normally increased import demands and brought about balance-of-payments difficulties. Three such crises have occurred in twelve years—1951-52, 1954-55 and 1955-56, and 1960-61. During these, however, phenomenal growth in population, industrial production, and resource development has taken place. Import licensing during much of this period protected local industry from competition in many areas, bolstered manufacturing progress and resources development.

Unemployment Increases

During the past eight months, for the first time in several years, Australia has experienced growing unemployment and decreasing industrial output and sales. Even though unemployment currently represents less than 3 per cent of the work force compared with 1.2 per cent a year ago, short-time employment and decreased overtime have also contributed to lower consumer spending.

Following boom conditions in 1960, a decline set in that continued to June 1961, when 117,700 (47,200 on July 1, 1960) were registered for employment. Recipients of unemployment benefits rose from 16,300 to 57,200 over the same period. Additional layoffs are expected before an upturn occurs, but the rate of increase in unemployment has been declining since April. Civilian employment (not including rural workers and female domestic workers) reached its peak of 3,088,000 in December 1960 and dropped to 3,022,000 in June. The marked transfer of labour that has occurred as industries chronically short of workers for years have absorbed many employees, and the heavy labour turnover, has sustained this figure. The Government's long-term immigration target of 125,000 persons a year has been temporarily modified to reduce the inflow of unskilled workers and to give priority admission to other classes of labour.

Production, Sales Down

Compared with increases in quarterly retail sales for the first half of 1960 over 1959 of 11.3 per cent, the increase in the January-March period of 1961 over 1960 was 3.5 per cent; for the April-June quarter, sales declined by .5 per cent. Consumer instalment debt also declined appreciably during the March-June quarter this year and, at A£412 million, was 10 per cent lower than in December 1960. This decrease reflects the effect on retail business, especially in consumer durable products including automobiles, of the credit restrictions imposed in November 1960, although market saturation played a part. Registrations of new cars averaged 21,200 a month during July-December 1960; they dropped to 12,700 in January 1961 and averaged about 15,000 a month in the January-June period of 1961.

Decreases in production of major electrical appliances in the June quarter this year ranged from 20 (washing machines) to 45 per cent (television sets), and sections of the textile industry were operating at 20-36 per cent below the same quarter of 1960. Basic materials, however, (including pig iron, tinplate and ingot steel output) registered increases of between 5-8 per cent; electricity generated rose by 3.8 per cent, but indices for certain building materials, carpets and lawnmowers all paralleled the decline in private building. Over-all current production is probably running at 20-25 per cent below last year.

Building and Banking

New houses and apartments under way at the end of June numbered 47,870 (10 per cent down from June 30, 1960, and 6 per cent less than March 31 this year) the lowest figure since June 1948. New housing starts in the June quarter this year totalled 19,051 compared with 24,956 a year ago.

Some sectors of the economy have not reflected the downturn in the economy. In contrast to the decline in residential construction, large building projects of both government and private industry have increased. Capital expenditure by private industry—estimated at A£446.5 million in 1959/60—probably reached A£520 million in the year 1960/61. Large office building projects in Sydney, for example, are changing the face of the city. Approved government building programs totalled A£131.4 million, compared with A£115.8 million in the previous fiscal year. Taxation revenues of the State and Federal Governments rose from A£1.36 billion to A£1.54 billion in the same period.

Banking and financial indices, however, have dropped. Savings bank deposits, which rose about 4 per cent between November and June in the two previous years, remained stationary in 1960/61. Deposits with the commercial banks in June were down compared with a year ago but the monthly average for the year was slightly higher. Share prices dropped by over 15 per cent in the October-December quarter 1960, but by June this year the Sydney Stock Exchange index was up to within 7 per cent of the peak a year ago.

Trend in Import Trade

Since November 1960, attention has been focussed on the Australian monthly trade returns as the excess of imports over exports has gradually declined, in response to the

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TABLE I

AUSTRALIA'S TRADE WITH SELECTED COUNTRIES

(years ending June 30)

	Exports to		Imports from		Change '61 against '60	
	1960	1961	1960	1961	Exports	Imports
	(millions of A£)				(per cent)	
United Kingdom	247.3	231.8	330.3	340.6	−15.5	+ 10.3
CANADA	13.9	17.0	29.6	45.7	+ 3.1	+ 16.1
New Zealand	54.3	62.0	15.9	17.4	+ 7.7	+ 1.5
Malaya	12.7	12.0	17.8	15.2	− .7	− 2.6
India	16.2	13.9	18.2	22.7	− 2.3	+ 4.5
Borneo (Br.)	1.4	1.4	15.8	12.3	− .0	− 3.5
South Africa	8.1	7.3	7.3	9.2	− .8	+ 1.9
Ceylon	7.7	7.2	11.2	10.2	− .5	− 1.0
Hong Kong	9.3	18.5	5.1	6.2	+ 9.2	+ 1.1
Pakistan	5.0	4.9	3.4	5.5	− .1	+ 2.1
All Commonwealth countries	429.9	433.7	485.1	516.2	+ 3.8	+ 31.1
United States	75.9	72.6	150.0	217.1	− 3.3	+ 67.1
Japan	134.7	161.8	41.5	65.5	+27.1	+ 24.0
West Germany	38.3	26.6	53.9	66.2	−11.7	+ 12.3
Indonesia	3.2	5.1	29.4	28.1	+ 1.9	− 1.3
Sweden	2.1	2.3	14.3	17.9	+ .2	+ 3.6
Netherlands	5.6	6.0	18.7	17.0	+ .4	− 1.7
France	60.3	51.1	13.7	16.7	− 9.2	+ 3.0
Italy	46.6	47.1	13.0	15.8	+ .5	+ 2.8
Switzerland	1.9	2.1	11.9	13.8	+ .2	+ 1.9
Belgium-Luxembourg	24.3	22.8	8.5	11.2	− 1.5	+ 2.7
Communist China	16.1	40.1	4.4	4.0	+24.0	− .4
U.S.S.R.	12.6	8.2	.5	.8	− 4.4	+ .3
All foreign countries	507.7	535.8	442.0	571.5	+28.1	+129.5
Total, all countries	**937.7**	**969.5**	**927.1**	**1,087.7**	**+31.8**	**+160.6**

curtailment of credit facilities in that month and declining demand since.

Whereas Australia's cumulative adverse commodity balance for the period July 1960 through April this year amounted to A£194 million, during the subsequent May-July period exports progressively exceeded imports by a total of A£53.8 million for the three months. Imports in July 1961 of A£69.7 million, moreover, were the lowest for any month in the year and over 20 per cent below July 1960.

Conversely, exports in recent months have been at the highest levels for a year. Assuming that favourable business conditions abroad will sustain export sales, and that in 1961/62 the total equals the 1960/61 exports of A£929 million, an average monthly import rate of about A£75 million would be necessary compared with a monthly average in 1960/61 of A£90 million, if the country is to live within its exchange earnings from exports. Although this over-simplified estimate disregards important factors related to the international payments account (such as foreign investment flow and use of reserves) it does indicate the approximate level of imports that exports alone could sustain, barring an appreciable upward surge in sales abroad.

Imports short-term are unlikely to rise much above recent levels (May-July 1961 monthly average was A£74.3 million) as stocks of many imported goods are still sizeable. Moreover, many commodities imported on speculation last year will not be reordered abroad as new Australian production, stimulated in part by foreign competition, [...] fill the demand. In other instai[...] higher customs duties will deter [...] eign suppliers; so will new faci[...] coming into production.

Trade with Selected Countri[...]

Table I provides compara[...] figures on Australia's trade [...] selected countries during the [...] two years.

Most countries increased t[...] exports to Australia in 1960/61[...] Japan's increase of 58 per cent [...] 1959/60 was the largest, follc[...] by Canada (54 per cent) and [...] United States (44 per cent). [...] creased exports by Australia [...] Communist China, Japan, H[...] Kong and New Zealand were [...] nificant.

In both fiscal years, Car[...] ranked fifth as a source of A[...] tralian imports but eleventh a[...] market for Australian goods. [...] ports to and from Canada, wh[...] accounted for 2.3 per cent of A[...] tralia's total foreign trade in 19[...] 60, rose to 3.0 per cent in 1960/[...]

Trend of Canadian Exports

Appraisal of any recent declin[...] Canadian exports of specific c[...] modities to Australia, within [...] over-all drop in Australia's imp[...] during May, June and July 19[...] is not yet possible. At least to [...] end of June 1961, however, [...] trade with Australia was still r[...] ning at a high level by compari[...] with other supplying countries. D[...] ing May and June this year, t[...] imports dropped 15 per cent be[...] the same two months in 1960, [...] imports from Canada dropped c[...] 2 per cent.

Monthly figures for the y[...] 1960/61, shown in Table II, in[...] cate that Australia's imports fr[...] Canada each month have excee[...] the first half of 1960, except du[...] June 1961. The figures are of sc[...] interest when it is recalled that: [...] port licensing was relaxed in F[...] ruary 1960; credit restrictions w[...] imposed and Australian bank cr[...] tightened last November; any imp[...] on our trade of these measures [...]

TABLE II

AUSTRALIA'S IMPORTS FROM CANADA

Months	1959/60	1960/61
	(thousands of A£)	
July	1,533	3,220
August	2,586	5,851
September	2,450	3,980
Total for quarter	6,569	13,051
October	2,111	4,032
November	2,029	3,232
December	2,106	3,897
Total for quarter	6,246	11,161
January	2,625	3,743
February	2,344	3,359
March	2,706	3,577
Total for quarter	7,675	10,679
April	2,799	4,455
May	2,465	2,898
June	4,067	3,500*
Total for quarter	9,331	10,853
Total for year	**29,825**	**45,745**

*Estimated.

TABLE III

MAJOR CATEGORIES OF IMPORTS FROM CANADA

	1959/60	1960/61 (11 months)
	(Australian £)	
Foodstuffs of animal origin (including canned fish)	642,427	1,210,184
Foodstuffs of vegetable origin		100,633
Alcoholic beverages	28,578	11,659
Tobacco	25,301	13,145
Animal substances, not foodstuffs	37,483	30,522
Yarns and manufactured fibres	66,325	369,982
Textiles	226,313	350,192
Wearing apparel	2,271	19,658
Pigments, paints and varnishes	73,305	39,440
Rocks, minerals and hydrocarbons	1,738,687	1,481,681
Metals and metal manufactures	10,947,800	14,710,165
Electrical machinery	210,550	485,734
Other machines and machinery	1,643,071	2,937,068
Rubber, rubber products and leather manufactures	1,044,059	1,295,846
Timber and wood products	3,578,807	4,667,980
Earthenware, cement, china, glass, etc.	79,422	186,600
Pulp, paper and board	6,889,409	10,052,869
Paper manufactures and stationery	40,489	52,919
Sporting materials, toys, jewellery, timepieces, etc.	9,043	72,077
Optical, scientific instruments, etc., and sensitized film	123,797	123,227
Chemicals, medicinal products, etc.	797,779	1,027,552
Other miscellaneous products	1,222,844	2,818,518

h downturn in Australia's econ-ory is a delayed one, and monthly ings are related to shipping facili-ie and seasonal variations.

n spite of the increase in Cana-ian trade recorded for the full er 1960/61, the quarterly in-ses over 1959/60 reached their ek in the third quarter of 1960 d declined progressively from £6.4 million to A£1.5 million n he second quarter of this year.

able III contains the latest com-ative data covering Australia's orts of the major categories of ds Canada supplied in the fiscal r 1959/60 and the July-May iod (11 months) of 1960/61.

he reader will note that our le in consumer goods with Aus-ia in the past two years has been y limited, and that our rôle as upplier of essential raw materials d equipment became more im-tant under competitive condi-ns following decontrol of most orts in early 1960.

ure Outlook

he pace and extent of Aus-ia's long-term development will tinue to be governed in part by export earnings and the country's ability to cope with a probable short-run rise in demand for imported goods when present inventories are worked off. Strenuous efforts are being made to increase Australia's export trade and creditable progress has been achieved. Foreign investment interest and confidence in Australia's future is high, and despite some temporary loss of confidence, future development prospects have not been seriously impaired.

Although the quarterly percentage increase in the country's gross national product since June 30, 1960, has averaged 6.9 per cent compared with an estimated growth of 10.3 per cent during the fiscal year 1959/60, some tapering off was inevitable. The G.N.P. for that year (A£6,836 million) recorded the highest yearly rate of expansion of the economy for a long time.

The Australian Industries Development Association recently reported on development prospects up to 1970. Although balance-of-payments problems and the occasional need for restrictions and credit control are expected, progress comparable with that of recent years will result from an estimated rise in population of 25 per cent, a doubling of industrial output, greater efficiency, and an increase in the gross national product of 60 to 80 per cent over 1961. Investment on the scale needed for such growth is confidently expected. It is officially recognized, however, that variations in Australian economic activity and well-being are bound to occur as the basic problem of reconciling a continued high rate of expansion with stability still remains.

Canadian exporters will continue to enjoy a good market in Australia, provided that they adapt themselves adequately to the country's long-term changing production pattern and requirements and, in the short term, to somewhat reduced sales opportunities for the next six months. ●

96691-1—2½

From sheepfold to ship's hold is the first leg of the journey for an important New Zealand export: these bales of wool on Wellington Wharves are headed for markets throughout the world.

New Zealand Faces Problem

Sharp drop in exchange reserves has forced reduction in impo anxiety about U.K. market continues. Canadian sales ne doubled during 1960; careful attention to prices, customers' ne should help Canadian exporters to hold their gains this year.

J. H. STONE, *Commercial Counsellor, Wellington.*

THE buoyant business climate of 1960, which boosted Canada's exports to New Zealand to the highest figure on record, has given way to a period of intensified import restrictions and business hesitation. An adverse balance of trade, uncertain market prospects for the main New Zealand export commodities, and apprehension about the effect on the United Kingdom market for mutton, butter and cheese if that country joins the European Common Market, add up to a business climate in which Canadian exporters will do well to hold their recent gains.

Over the past two years, New Zealand import controls had been progressively lifted to the point where they had little real effect on the level of a significant proportion of total imports. Provision had been made for the regular annual growth of trade in a large number of commodities and discrimination against the dollar area had disappeared, for all practical purposes. This was the situation in March 1961.

In the last half of 1960, however, a persistent downward trend in foreign exchange reserves had appeared which led this April to a reduction in the import program for the current year. Later the decision was taken to spin out the already reduced 1961 program, originally designed to cover a calendar year, over 18 months. Current im licences, with the aid of a mo supplementary import schedule, have to cover the requirement the country until June 30, 196

Business Remained Buoyant

The year that ended in M 1961 was unquestionably for n New Zealanders one of the n prosperous ever. Retail trade creased by 10 per cent over previous year, there were over vacant jobs for every unemplo person, farm and factory produc continued to rise, and manu turers' stocks of materials were up heavily. Price levels remai stable, despite a large expansio

ak credit that began during the half of 1960; commercial bank dances to borrowers rose 30 per et during the 12 months ended May 1961. Business was excel-er, although farm incomes did not hre fully in this general prosperity. is now clear that these boom oditions produced a level of con-uption well above what the ontry could afford, particularly s large proportion of the goods Ne Zealand uses are either im-ed or produced from imported erials. The 1959 recovery in dd prices of the main export omodities faltered during 1960, wi the export price index (1957 00) falling to 94; the index of nrt prices rose from 97 to 99. h terms of trade, standing at an ndx of 100 in 1959, dropped to 5 and it is officially calculated that Ne Zealand's terms of trade have eriorated by some 15 per cent v the past five years.

ments Problem Appears

s the year wore on, the level f imports grew out of proportion he lower export earnings. An aming deterioration in the bal-nc of payments appeared and this to the import restrictions de-ebed above. There was a deficit n current account for the year ed March 31, 1961, of £50 ilon, compared with a surplus of 1 million in the previous year; ments received for exports ropped £18 million, invisibles rduced a deficit of £5 million, n import payments went up by 3 million. The net overseas sts of the banking system were equently reduced by £44 mil-o at mid-June they were down ess than half the figure of a e earlier, far too low for comfort. he prospects for full recovery i year are not bright. New and depends to a very large nt on wool, meat and dairy ducts for its earnings of foreign ange, and there seems no early pect of improved prices for e commodities in the principal

TABLE I

SOME CANADIAN EXPORTS TO NEW ZEALAND

	1959	1960
	(Can.$'000)	
Newsprint	1,648	4,140
Steel bar, plate and sheet	411	2,796
Motor vehicles and parts	1,458	2,352
Machinery, other	1,504	2,032
Aluminum	694	1,401
Canned fish	740	1,362
Drugs and chemicals, n.o.p. synthetic resins, n.o.p., and synthetic rubber	487	1,237
Copper and brass	661	1,195
Wood products (chiefly cedar and Douglas fir lumber)	1,058	1,111
Textile products	202	433
Fine paper	230	325
Wallpaper	86	193
Engines	724	560
Agricultural machinery and implements	30	231
Office machinery	20	166
Hand tools	380	581
Electrical apparatus	567	823
Asbestos	483	577
Plastic film	465	640
Total exports, including all others	**13,316**	**23,859**

markets—especially in the United Kingdom. That country alone takes over half of New Zealand's total exports and almost all of its cheese, butter and mutton. For this reason, the prospect of Britain joining the European Economic Community is causing the Government a great deal of concern and also the primary producer, who sees his main free market threatened.

Measures Taken

Despite a declared intention to reduce the level of controls affecting business in New Zealand, the Government has had to take steps to lower imports and to decrease the pressure of internal demand.

The Replacement Licensing Scheme which had opened opportunities to many Canadian exporters has been cancelled. Token import licensing, which allowed a variety of consumer goods to enter, has been abandoned. Although an Import Schedule has been published showing licences available during

TABLE II

PRINCIPAL SUPPLIERS TO NEW ZEALAND

	Value 1959	1960
	(£ million)	
United Kingdom	97.0	109.6
Australia	37.1	45.4
United States	16.7	26.2
Canada	4.8	7.9
Germany	6.1	7.8
Japan	3.6	7.2
India	4.3	5.6
Total imports, including all suppliers	**205.1**	**251.8**

Source: N.Z. Department of Statistics.

the first half of 1962, total imports during the 18 months from January 1961 to June 1962 are unlikely to exceed the value originally planned for the current calendar year. Although import licences already issued will remain valid, the growth factor of Replacement Licensing has been removed, so that Canadian exports which benefited so greatly from this last year cannot be expected to continue their rise. Priority will be given to imports of materials and components for manufacturers, but even in this field, stocks will have to be used up before further imports will be permitted.

Internally, bank credit is being restricted, limits have been placed on instalment buying, the Government's program of public works is being slowed down, and public spending generally is to be held to current levels. The Government has announced a program of borrowing abroad to restore foreign exchange reserves and has applied for membership in the International Monetary Fund and the World Bank.

Canadian Trade in 1960

The elimination of dollar discrimination helped to boost Canadian sales in New Zealand during 1960 to almost $24 million, almost double the 1959 figure. The improvement was well spread over a

wide range of commodities and a number of new products were introduced to the market. Traditional "best sellers" like salmon, cedar, newsprint, non-ferrous metals, synthetic rubber, automobiles and lumbering machinery made very large gains. Steel products, office machinery, chain saws, textiles, hand tools and other manufactured products recovered sharply from the doldrums of recent years.

Table I shows those products (or groups of them) that are particularly important in our trade and those that have made outstanding gains over the past year. Of particular interest is the growth of exports incorporating a substantial value of manufacturing, such as machinery, tools, textiles, motor vehicles and electrical apparatus. Not yet reflected in the statistics are very substantial orders for generators and turbines for hydroelectric stations, diesel locomotives, and other forward purchases to be delivered in 1961. An initial shipment of oral polio vaccine has arrived and will be administered to all infants under 12 months.

Canada made the largest proportional gains in this market of any major supplier, judging by the preliminary statistics, and displaced Germany as the fourth most important supplier, following the United Kingdom, Australia and the United States, in that order. At that, we supplied only 3.2 per cent of total imports, well below the first three countries, as Table II shows.

New Zealand's exports to Canada also improved significantly, with larger shipments of meat, wool, apples and seeds. A Trade Commissioner post is to be opened in Vancouver, with the aim of increasing and diversifying trade.

Although the current outlook is not favourable for the introduction of new products, a useful number of Canadian firms have formed valuable connections as a result of the Export Trade Promotion Conference in Ottawa last December. Negotiations are still in progress between a large number of potential agents and Canadian manufacturers and new sales of goods, ranging from costume jewellery through wallpaper and dental equipment to road graders, have followed from the discussions in Ottawa.

Immediate Prospects Uncertain

The next twelve months are unlikely to produce concrete results of the order of those of 1960. Current import controls not only limit the volume of sales that can be made but tend to restrict importers to their traditional suppliers. At the same time, there is a definite shift in the pattern of New Zealand trade towards the countries surroun the Pacific, and within limits t is scope for Canadian supplier supplant those in Europe and c Commonwealth countries. persistence, keen pricing, and c attention to the requirements their New Zealand customers, nadian exporters can hold present level of trade and look ward to new gains when the nomic situation improves. slower pace will give importers time to review their sources supply and to look at new prod The coming twelve months may be an ideal time to make that to New Zealand.

Sweden's New Kraft Mill

A kraft paper mill equipped with a 100-metre-long Fourdrinier machine with an annual capacity of 65,000 tons has just been put into operation by the large timber processing company, Wifstavarf, near Sundsvall, North Sweden. Previously a producer of sulphite and sulphate pulp, hardboard and timber (based largely on raw material from its own vast forests), the company now adds another line to its production.

The machine, which is provided with Svensk Flaktfabriken ventilation and heat-regeneration equipment, has a maximum output of 656 yards of paper a minute with a clean-cut width of 208 inches, making it the largest and fastest in Sweden. The wire length is 39 metres and the machine has 49 drying cylinders. It is combined with a Beloit reeling machine and a Bruderhaus re-reeling unit. Pulp is fed directly into the machine from the adjacent sulphate mill.

The plant is capable of producing grades varying from 40 to 400 grams, but is intended in the first place for unglazed and unbleached sack kraft paper. It can also turn out other unglazed qualities, such as laminating, spinning and gumming kraft. More over, a secondary headbox has bee installed to permit manufacture c kraftliner which can be surface-size and made water-resistant.

The company owns 640,000 acre of forest land and has in recent year established a large forest-plant nurser close to the mills at Wifstavarf. Thi produces some 20 to 25 million high quality plants a year, mainly Swedis spruce and pine, but experiments ar also being carried on with foreig species. A large part of the output i sold to other forest owners. The com pany has initiated an interesting fores promotion scheme by which othe forest owners receive one plant fo every tree they deliver to any of th company's mills.

The Wifstavarf Company wa founded in 1798 as a shipyard tha sent its ships abroad to be sold, wit their cargoes of forest products. To day it turns out products worth $2 million a year, of which some 90 pe cent are exported.

—L. B. THOMSON,
Office of the Commercial Counsello
Stockholm.

...igned this giant paper mill at Kawerau. This picture was ...en during its construction when the night shift was on.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Australia—Eight tons of Canadian canned chicken ready to sail for Sydney are seen off by the Western Representative, Trade Commissioner Service, the Vice-President of the processing company, and the ship's Captain (left to right).

In Australia—This pretty little lady, daughter of the Consul General for Israel, takes her polio shot like a veteran. The doctor is using Salk vaccine imported from Canada.

In New Zealand—This freezing plant in Auckland transports its lambs by double-decker; the trucks were made in Canada.

Australia's Tariff Policy

Canadians interested in the Australian market will find this explanation of the country's tariff policy and the operations of the Tariff Board a valuable aid to successful selling there. The author points out the importance of representation at Tariff Board public inquiries.

R. B. NICKSON,
Commercial Counsellor, Canberra.

AUSTRALIAN tariff legislation is important to Canadian exporters who are or who wish to become established in the Australian market on a long-term basis. Because the tariff has a bearing on the ability of Canadian firms to compete here, it is useful for them to understand the basis on which the level of duties is determined and how they themselves can influence it.

Tariff Structure

The Australian tariff system was established in 1901 when the six colonies were federated into the Commonwealth of Australia. The tariff operates on a three-column basis: British preferential, most-favoured-nation, and general. The British preferential tariff applies without exception to United Kingdom goods that qualify in terms of content and other requirements. Under the Canada-Australia Trade Agreement 1960, Canada also receives British preferential tariff treatment on all products except a few for which it receives most-favoured-nation treatment or a special rate. The most-favoured-nation tariff applies to most Contracting Parties to the General Agreement on Tariffs and Trade, and to a few other countries with which Australia has bilateral agreements.

There is a wide variation both in the duties applicable in Australia and the margins of preference between the British preferential or rate to Canada and most-favoured-nation tariffs. Both ad valorem and specific duties exist in the Australian tariff, or combinations or alternates of these. In ad valorem terms, goods not produced in Australia are normally free of duty under the British preferential tariff and a wide range of these which are produced locally are subject to British preferential duties of 12½ to 27½ per cent. In general, the minimum margin of preference amounts to 7½ per cent and this applies to a considerable range of capital equipment and industrial materials. Higher margins of 12½ to 17½ per cent also apply, but other margins exist as well.

In addition to customs dut there are others, known as prim duties, that apply to a narrov range of products. Margins of pr erence also apply in the case many primage duties. Since prima duties have a protective effect, C nadian exporters should take th as well as ordinary customs dut into account. Primage duties do r usually exceed 5 or 10 per ce under the British preferential tar

Bylaws

An important provision of t Australian tariff legislation provid that essential goods, mainly indu trial materials, may be imported fr of duty or at lower rates than wou normally apply under the Briti preferential tariff "when suitab equivalent goods are not reasonab available" from Australian pro ducers. This arrangement is mac through bylaws which are admini trative decisions of the Departme of Customs and Excise.

A tariff preference of 7½ per cer frequently applies to goods subje to bylaw. In cases were bylaw would have the effect of eliminatin tariff preferences which are guarar teed to Canada under the Canadiar Australian Trade Agreement 196(the agreement provides for consulta tive arrangements between the tw countries that are now operative The Australian Government ha agreed to take account of represen tations that Canada may make.

The Australian Tariff Board

The Tariff Board was establishec in 1921 to inquire into what tarif assistance, if any, should be ex tended to Australian industry as requested by the Ministers concerned. The great majority of the cases are referred to the Board by the Minister for Trade who asks it to determine whether protective tariffs should be imposed and if so at what levels. In addition, the Minister for Customs and Excise from time to time requests the Board to determine whether dumping or other similar duties are

necessary within the context of the legislation. The Tariff Board also receives references on other matters, although these are far less frequent.

Before the Minister for Trade will refer a request for inquiry into protective tariffs, the industry must make a prima facie case to the Minister and his department proving the need for an inquiry. The Board's normal approach to tariff references is to determine whether the industry is economic and efficient and if so to recommend duties which are appropriate. The Government will not afford tariff protection to an industry until it has begun production.

Tariff Board Procedures

In 1960, fifty-three references were made to the Tariff Board, and in early August 1961, forty-nine had been made. Two types of references are made by the Minister for Trade. The first of these is to determine the need for long-term protection of the industry concerned, and the procedure provides sufficient time for all the circumstances of the industry to be taken into account. In these cases the Tariff Board informs members of the industry, importers, and any other interested parties that a reference has been received and that public inquiries will be conducted. Since many interested parties present their views, these inquiries provide a great deal of information about the industry. Evidence is taken in public on oath and a transcript may be purchased. Witnesses may give evidence in confidence and this information is available only to the Board and its staff. Inquiries are usually conducted in Sydney and Melbourne. The Head Office of the Board is in Melbourne.

The second type of reference, which came into effect in September 1960, provides for the imposition of temporary duties against imports when the industry would suffer serious damage before its case for regular tariff protection could be effected. From September 1960 to early August 1961, 22 temporary duty references were made to the Tariff Board under this new legislation.

Temporary duty inquiries are conducted by a deputy chairman of the Tariff Board who must report within 30 days after he receives the reference. The temporary duty must cease to operate not later than three months after the Board's full report is received by the Government. The deputy chairman does not publicly call for evidence, but he usually receives it from parties having a substantial interest in the inquiry.

Canadian Participation

It is usually most desirable for Canadian firms to take part in the regular Tariff Board inquiries if Canadian trade interest in the item under review is sufficient. There are considerable benefits from direct participation: the Board's first step is to decide upon the intrinsic merits of the case and Canadian firms can supply much information about the circumstances of the trade that would be valuable to the Board in appreciating the importance of permitting reasonable access for imports. If the Board decides that protection is warranted then it is most desirable for the Canadian firms or industries to give information about their costs and prices. With this information the Board is able to strike a level of protection which will be reasonable to both the Australian manufacturers and the Canadian suppliers.

Canadian firms and associations can send officers to participate directly in the hearings or they can have their local representatives attend. In the last 18 months Canadian interests have been directly represented before the Tariff Board on a number of occasions and there is no doubt that this action has been in the best interests of both the Canadians and the Board. A tabulation of the regular inquiries currently before the Board is given with this article, and firms supplying these products to Australia should seriously consider arranging representation. Further information and assistance can be obtained from the Chief, Commonwealth Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or the Commercial Counsellor for Canada, Canberra.

Because the time factor makes it difficult for Canadians to present

The Australian Tariff Board Is Reviewing . . .

The following are products referred to the Australian Tariff Board up to August 21 but on which public hearings had not been held at that date. The dates of the hearings not yet announced will be published in *Foreign Trade* as they become known.

- Polyethelene resins and moulding compounds (hearings in Sydney Sept. 4, in Melbourne Sept. 25)
- Ballpoint pens (hearings in Sydney Sept. 5, in Melbourne Sept. 26)
- Ball bearings (hearings in Sydney Sept. 6, in Melbourne Sept. 27)
- Lactose (hearings in Sydney Sept. 7, in Melbourne Sept. 29)
- Bolt cutters (hearings in Sydney Sept. 8, in Melbourne Oct. 3)
- Textile yarns (hearings in Sydney Sept. 25, in Melbourne Sept. 4)
- Electric clocks (hearings in Sydney Sept. 26, in Melbourne Sept. 5)
- Woven fabrics and woollen piecegoods (hearings in Sydney Sept. 27, in Melbourne Sept. 6)
- Cutlery
- Coffee
- Gramophone parts
- Glass fibre, glass yarns and glass fabrics
- Bonded fibre fabrics
- Fabric dress gloves
- Rubber bathing hats and caps
- Domestic knitting machines and parts, including needles
- Plain safety pins
- Copper and brass sheet and strip
- Woven piecegoods of man-made fibre
- Non-folding knives

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their views at temporary duty inquiries, a system has been set up to advise the Australian representatives of Canadian firms of the dates of the hearings. The local representatives can then present the Canadian view.

Anti-Dumping and Anti-Subsidy Legislation

In May 1961, new anti-dumping and anti-subsidy legislation came into effect under the Customs Tariff (Dumping and Subsidies) Act 1961. The legislation is designed to protect Australian industry against substantial injury from imports which are being either dumped or subsidized. Anti-dumping and anti-subsidy duties may not be imposed without a Tariff Board inquiry, and the Board's findings are considered by the Government before a duty is imposed. These inquiries are referred to the Board by the Minister for Customs and Excise. Usually public hearings are held. Pending the completion of the investigations, the equivalent of anti-dumping or anti-subsidy duties may be imposed under other legislation.

Under the Canada-Australia Trade Agreement 1960, Canada is not subject to the ordinary dumping duty provided for under the Customs Tariff (Dumping and Subsidies) Act 1961. However, if the Australian Government considers that a Canadian product is being imported "under such conditions as to cause material injury to producers of like or directly competitive products" in Australia, consultations must be held "to consider measures to prevent further ·jury". If a "mutually satisfact solution does not result within days from the commencement these consultations" the Austral Government may then impose dumping duty.

Import Licensing

The relatively few products under import restriction amount less than 10 per cent of total A tralian imports. The restricti have a particularly limiting eff on imports of aluminum, ball be ings, and fats and oils. A range other products are subject to striction, notably some textil clothing and a few consumer goo most of these are subject to imp quotas. ●

COMMODITY NOTES

Airplanes

MEXICO—Alaska Airlines has become the first U.S. buyer of the new Mexican-made *Lasa 60* transport plane, according to a newspaper report. The airline placed an order for five of the six-seat utility aircraft for use in Alaska on the daily run from Fairbanks to Clear—Mexico City.

Alcoholic Beverages

COLOMBIA—With the exception of beer, all alcoholic beverages made in Colombia are produced in distilleries owned by the various Colombian Departments (provinces). In addition to making rum from local sugarcane, these distilleries turn out gin, vodka, Scotch-type whisky, and brandy. Some of these spirits are produced under licensing agreements with foreign manufacturers—Bogotá.

Alumina

POLAND—The first ton of alumina obtained from ordinary clay has been sent from a testing laboratory to the aluminum foundry in Skawine, Cracow, according to a Polish news agency report. Professor Bretsznajder, a Polish chemist, developed the method of extraction and a special commission of the Poli Academy of Sciences has approved it. The commissi proposes construction of a big alumina plant wi a capacity of 200,000 tons a year to be completed 1964—Copenhagen.

Automobile Electrical Equipment

INDIA—It is reported that a new factory will established in the Greater Bombay area to produ windshield wipers with motors, ignition coils, volta regulators, distributors, breakers for horns, condense etc. The company, to be known as Globe Auto Ele tricals Ltd., is said to have entered into a technic collaboration agreement with Magnesti Marelli of Ita —Bombay.

Banana Powder

INDIA—The Chief Minister of Maharashtra has la the foundation stone for what is reported to be the fi factory in Asia to make banana powder.

The factory is being promoted by the East Khande District Co-operative Marketing Society and will pr duce 1,000 pounds of banana powder per shift, at

estimated cost of one rupee a pound. Future plans envisage the production of powder from papayas, mangoes, tomatoes and limes—Bombay.

Cement

ITALY—Italian cement production in 1960 reached a peak of 15.8 million tons, 1.5 million, or approximately 10.9 per cent, over 1959. Italy continues to rank second among the Common Market countries in cement production and fifth among world producers —after the United States, the U.S.S.R., Japan and Germany. Seventy companies with 111 plants situated throughout the country meet all domestic requirements and could satisfy any possible increase in demand since they are working at about 85 per cent of capacity—Rome.

Chemicals

SOUTH AFRICA—Methanol and formalin will be produced in South Africa as a by-product of the new urea-formaldehyde plant recently opened by African Explosives and Chemicals Industry. The firm has also announced plans to treble its output of polyvinyl chloride—Johannesburg.

Coffee

BRAZIL—Coffee exports in the first quarter of 1961 totalled 3.8 million bags worth U.S.$161.5 million, compared with 3.8 million worth U.S.$163.7 million in the first quarter of 1960—Sao Paulo.

Eggs

AUSTRALIA—In 1960/61, Australians ate 92 million dozen eggs. Production totalled 119 million dozen, an increase of 11 million dozen over 1959/60. Exports of eggs in shell more than doubled—from 2.28 million dozen in 1959/60 to 4.8 million last year. Frozen egg pulp exports to the U.K., Europe and Saudi Arabia increased by almost 40 per cent, to more than 12,000 tons—Sydney.

Fertilizer

PHILIPPINES—According to the Philippine Bureau of Census and Statistics, manufactured fertilizer imports for the year 1960 were valued at 14,937,730 pesos, made up of nitrogenous fertilizer 3,512,596 pesos, potassic fertilizer 1,610,939, and fertilizer, n.e.s. 4,751,839.

Of the nitrogenous fertilizers, nitrate of potash led the list, reaching a record 3,568,575 kilos valued at 2,195 pesos, followed by nitrate of soda at 25,942 pesos.

Phosphate of ammonia imports totalled 3,081,445 pesos, sulphate of potash only 186,739, sulphate of ammonia 3,965,916, mixed fertilizer 343,720, and other fertilizer, n.e.s. 442,203—Manila.

Locomotives

SWEDEN—Three Swedish diesel-hydraulic locomotives, each weighing 22.5 tons, have been delivered to Liberia by Kalmar Verkstads AB. They will be used to transport material for building the ore-shipping railway under the Lamco scheme. The locomotives are equipped with ultra-shortwave radio. They were originally built for Swedish State Railways but have been rebuilt for service in Liberia—Stockholm.

Marble

JAMAICA—Serge Island Marble Ltd. has begun to build a factory in the eastern part of the island for mining, cutting and polishing marble for sale at home and abroad. Machinery and equipment for the plant is on its way from the United Kingdom and operations should commence shortly—Kingston.

Meat

URUGUAY—Because of the more favourable price policy, 100,000 more head of cattle were slaughtered in Uruguay in 1960 than in 1959. From January to May of this year 38,740 tons of meat were made available for export, in spite of the workers' strike in May —or more than total exports for 1959—Montevideo.

Milk

INDIA—Approximately $75 million has been allocated for dairy research and education under the Third Five Year Plan. Authorities are proposing a number of new facilities, including 66 new milk schemes, eight creameries, four milk-product factories and two cheese factories. The milk schemes have possible implications for Canadian exporters of skim milk powder. Much of the milk produced is high-fat water-buffalo milk. A large portion of this is toned down to a lower fat level by adding water and skim milk powder. As not enough powder is produced locally, most of it must be imported. Two schemes, one in Kanpur and the other in Bombay, have recently received $775,000 from UNICEF to assist in bringing them to completion —Bombay.

Oil

CEYLON—According to an agreement recently signed by the Minister of Trade and Commerce, Ceylon will buy 40,000 tons of petroleum products a year from the Soviet Union during the next two years. Price and other terms of delivery are subject to further negotiation. Ceylon has also agreed to buy more machinery and equipment from the Soviet Union; the

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latter has, in turn, agreed to increase its purchases of Ceylon tea, rubber, coconut oil and other products —Colombo.

SPAIN—Compania Iberica de Petroleos S.A. and Ohio Oil Co. have been authorized to form a new company to construct an oil refinery in northwestern Spain. The State holds a 52 per cent interest. All equipment and raw materials for construction will be allowed into the country duty-free and a number of taxes have been reduced by 50 per cent—Madrid.

Olive Oil

ITALY—The exceptionally good olive crop in Italy in 1960 totalled 2.1 million tons against 1.6 million in 1959—an increase of 26.6 per cent. Of this, 2.06 million tons were processed for oil, yielding 380,100 metric tons compared with 291,300 in 1959—Rome.

Pearls

HONG KONG—Hong Kong is reviving its pearl industry with the help of the Colonial Government and expert Japanese consultants. Although still in the experimental stage of their plans, developers hope that within a few years cultured pearls will be produced competitively in commercial quantities—Hong Kong.

Pipeline

SPAIN—Plans are under way to construct a 150-mile pipeline from the port of Málaga to Puertollano. Work will begin in 1962. The 14-inch line will have an annual capacity of 1.2 million tons of crude oil and there is a possibility of increasing this to 2 million tons. One pumping station will be set up at the port of Málaga, and another in the province of Cordoba; large control tanks will be erected at Málaga and Puertollano. The raw material will be treated in the refinery and the new petrochemical plant to be installed at Puertollano—the first of its kind in Spain. End products will include pharmaceuticals, detergents, plastics, insecticides, etc. The $10 million pipeline will reduce transportation costs on crude oil by about one-seventh—Madrid.

Steel

COLOMBIA—The expansion of the rolling mill of Acerías Paz del Río in Belencito, Boyacá, Colombia, was completed in June. The plant will produce black galvanized steel sheets of a thickness varying from .3 to 3 millimeters—Bogotá.

ITALY—A merger has been effected between the Societa' Ilva and the Societa' Cornigliano, two of Italy's leading steel industries. The new company will be called Italsider Alti Forni e Acciaierie Riunite Ilva Cornigliano—Societa' per Azioni (Italsider Ilva an Cornigliano United Smelters and Steel Mills Joi Stock Company) and will have a share capital of $23 million. Italsider is considered one of the most impo tant steel industries in Europe, especially in view the expansion program now being carried out. Th includes a large iron and steel industry at Taran and an enlargement of the Ilva steel factory at Bagno (near Naples)—Rome.

Steel Pipe

SOUTH AFRICA—Double helical welded-steel pip with internal diameters from 6 to 16 inches is bein produced in a new pipe mill in South Africa und licence, using the Driam process—Johannesburg.

Sugar

DENMARK—Production of sugar in Denmark i 1960 reached 305,000 tons, 34 per cent above 195 The Danish Sugar Factories produced about 265,00 tons. Since annual consumption totals about 250,00 tons, and exports last year totalled 22,000, stock have risen—Copenhagen.

Tabular Alumina

UNITED STATES—Kaiser Aluminum and Chemic Corporation will construct a plant to manufactur tabular alumina at its Baton Rouge, Louisiana, work Tabular alumina, a high-purity aluminum oxide tha has been converted into a chemically inert and highl dense nodule form, is widely used in making high temperature refractories, automotive sparkplugs, an in various electrical and electronic applications.

Construction of the new plant will increase fivefol the corporation's capacity to produce tabular alumin and will mark the latest stage in Kaiser Aluminum' program to expand facilities for special alumina prod ucts at the Baton Rouge works—New Orleans.

Timber

NEW ZEALAND—Timber production in New Zea land in 1960-61 reached a record 714 million boar feet—double the output in 1946 and 1947. The in crease has come mainly in exotic timber, which mor than trebled over the period (114 million to 395 mil lion board feet). Indigenous production increased b 80 million—Wellington.

Tractors

BRAZIL—The Fendt interests of West Germany wil begin production of 25-horsepower tractors in Brazi in October. Initial production will approximate 300 tractors a month, with 70 per cent Brazilian conten —Sao Paulo.

Australian Agriculture in 1961

Good crops and substantial export sales in wheat, barley and sugar marked 1961; Communist China was a new, and the leading, market for wheat. New meat sales agreements were negotiated with U.K. Wool growers, concerned about competition from man-made fibres, have raised their promotion levy and added a research levy.

H. A. GILBERT, *Commercial Counsellor, Melbourne.*

GENERALLY speaking, the 1961 crop year* in Australia was a good one. The volume of production rose 6 per cent above the previous year, and 63 per cent above the average for 1936 to 1939. In gross value production totalled £1,341 million —greater by £16 million than 1959/60†, principally as a result of the record wheat crop. Unfortunately, rising costs offset an improvement in farm income, but at least greater productivity helped to ease some of the effects of higher production costs. The budget brought down in August provides new benefits to primary producers aimed at lowering these costs. Foremost among the benefits are:

- Contribution of £13 million to the Wheat Prices Stabilization Fund, and £13.5 million to the Dairy Products Bounty.

- Allocation of £1 million to the Queensland government for construction of roads to serve the cattle industry.

- Exemption from sales tax for livestock carriers of one kind or another, used exclusively in the outback regions.

- Expenditures for purchasing and laying of underground waterpipe for agricultural irrigation are deductible from income tax.

- Compensatory income for livestock destroyed under disease-control legislation may now be spread for tax purposes over five years instead of one.

- Provision of £2.25 million for the War Service Land Settlement Scheme—£200,000 more than last year.

The volume of agricultural exports rose by 7 per cent above 1960's all-time high; again, large wheat shipments were the important factor. There was a fall of over 10 per cent in prices, however, and the value dropped by 4 per cent to £700 million. Farm exports in 1961 accounted for 75 per cent of Australia's merchandise exports of £929 million: wool made up 38 per cent of the total, (although both value and volume dropped), wheat and flour 13 per cent, meats 6½, sugar and dairy products nearly 4, and other agricultural exports 9½ per cent.

Wool

Wool growers are becoming more and more concerned about the competition from man-made fibres. The Australian Wool Growers and Graziers Council and the Australian Wool and Meat Producers Federation met in July and agreed to an increase of 5/- a bale for one year in the wool promotion levy, which now stands at 10/- a bale, with an additional 2/- a bale for research.

The wool clip for the 1961 season totalled 1,632 million pounds on a greasy wool basis, 3 per cent below the 1960 crop but still the second largest clip in Australian history. The number of sheep and lambs in Australia in March was estimated at 152.7 million, 2.5 million fewer than 1960's record 155.2 million, and a reversal in the steady upward climb in numbers since 1947. This could be attributed to a lower lambing and a higher death

*Australian agricultural and fiscal year ended June 30. Hence, "1961" is the period July 1, 1960, to June 30, 1961.

†Australian pound=Can.$2.31.

rate (especially in New South Wales and Queensland), record slaughterings, and some movement away from sheep into beef cattle and wheat. Fine and crossbred wools enjoyed good support in the 1961 auctions and the margin between these types was narrowed, apparently because of the increased demand for crossbreds for blending with synthetics. The wool clip for 1962 is forecast at 1,679 million pounds, approximately 3 per cent higher than that for the season just ended.

Wool sales this year totalled £314.5 million, about 12½ per cent lower than last season (£359.4 million) as a result of a drop in the average price on a greasy basis of 5.72d a pound, nearly 10 per cent below last year's 52.06d a pound. Wool and wool sheepskin exports decreased by £53 million to £356 million. Japanese imports accounted for approximately 30 per cent of all Australian shipments of wool and wool sheepskins.

Wheat

The 1961 wheat crop surpassed all others in Australia's history, totalling 270.9 million bushels. The second largest acreage ever planted yielded 20.3 bushels per acre, which has been bettered only once in the last six years—by four tenths of a bushel per acre. Moreover, the carryover from this year to next will not create a burdensome surplus; it will, in fact, just meet the country's domestic requirements for seed, feed and flour. Prospects for the future are good. Next year's crop is not likely to equal this one's but may reach 240 million bushels.

In exports, the outstanding event was the opening up of the market in Communist China with two separate contracts totalling 1.8 million long tons worth £47 million. The first contract was a cash sale of 1.05 million tons* at £27 million, the second, on terms, was for 750,000 tons at £20 million. In addition, shipments to Europe increased because of poor crops there. Headed by Communist China, the leading buyers this year were the United Kingdom, Japan, Italy, New Zealand and West Germany.

Coarse Grains

Barley—The 1961 crop set a new record of 64.5 million bushels from an all-time-high acreage of 2.7 million. Although in 1960 Japan had imported some 32,250 tons of Australian barley worth £724,000, in 1961 it purchased none at all. Nevertheless, total exports were million bushels higher than l year. Again, sales to Commur China of 320,000 tons were a ma factor.

Oats—The 66.6 million-busl oat crop was a good one also, se ond only to the record crop of 19 and second highest in acreage so and yield per acre. Twenty-four m lion bushels were exported (doub 1960 total), but next year's pro pects do not appear encouragir the European wheat crop was po and large quantities of it are ava able there for feed.

Maize—The maize crop was th highest since 1941, yielding 6.8 m lion bushels from a planting 205,000 acres.

Grain Sorghum—Despite a re ord 280,000 acres sown to gra sorghum, 1961 production was 1. million bushels below last year's 8. million.

*One ton=2,240 pounds.

Sugar

Raw sugar is Canada's leadin import by value from Australia. Fc the past three years shipments hav averaged slightly over 167,000 ton a year; in 1961, they reached 192, 300 tons worth £5.8 million. Aus tralia's sugar exports to all market totalled 796,500 tons worth £35. million. Smaller production in othe Commonwealth countries permitte Australian exports to go beyond th basic quotas set by the British Com monwealth Sugar Agreement. A slightly higher price was paid fo the 1961 exports that were sold a the "negotiated price".

By the end of the season, 9. million tons of cane had been crushed, almost 200,000 tons more

This is a familiar sight in Australia. Concerned about competition from man-made fibres, the wool growers have increased their levy for promotion and added one for research.

than in 1960. The yield per ton was also greater, only 6.5 tons being needed for each ton of raw sugar at 94 net litre. The value of the cane cut is estimated at £47 million, nearly 8 per cent higher than the previous year.

Tobacco

Tobacco production has increased rapidly over the years. Acreage rose from 13,200 in 1958 to 30,200 in 1961 and production of dried leaf from 11.6 million to 3.1 million pounds. Manufacturers, however, are becoming increasingly selective in their purchases of domestic leaf as it becomes a major component of manufactured products. The Government has increased the stipulated percentage-usage rates for cigarette tobacco that manufacturers must observe to obtain concessions on imported leaf from 7 per cent (in 1955) to 43 per cent. There seems to be a marketing problem for Australian leaf this year, and the question of future market stability is causing concern.

Meat

The United Kingdom-Australia Fifteen Year Meat Agreement has been a great stimulus to the Australian industry. The agreement guarantees the producer a market in the U.K. for a significant proportion of his output, plus a guaranteed floor price. Early in August a United Kingdom delegation met representatives of the Australian Meat Board and officers of the Department of Primary Industry to negotiate minimum or floor prices for beef and veal, effective from October of this year until the conclusion of the Agreement in October 1967, and for mutton and lamb for a period to be determined.

Minimum prices for beef and veal for 1961/64 were fixed at about 4½ per cent higher than those negotiated for 1958/61, and they were also extended to cover the period 1964/67. In the 1958 negotiations, Australia accepted a 9 per cent reduction in the 1958/61 prices to obtain a relaxation of the quantitive restrictions on beef and veal shipments to countries other than to the United Kingdom. This relaxation enabled the American market to be developed.

For lamb, the existing minimum prices will continue until October 1962, after which they will drop 2½ per cent (about one-third of a penny) until October 1964. Minimum prices for 1964-67 will be negotiated in 1964. No minimum price was set for mutton since marketing has switched from carcasses to piece mutton. In other aspects of the Agreement there was no change, including the guarantee of unrestricted entry into the U.K. market. Of particular significance to Australian meat exporters is the agreement that there will be no restrictions on exports to countries other than the U.K. from October 1961 until the conclusion of the Agreement.

The U.S. became Australia's big market for frozen beef and veal in 1957-61, replacing the U.K. Though Canada imports it too (averaging 2 million pounds of frozen beef and veal in the last two years) our mutton and lamb imports have been larger—9.176 million pounds worth £768,000 in 1960, 16.95 million pounds worth £1,724,000 in 1961. Australian exports of mutton and lamb to the U.S. also increased—by approximately 5.5 million pounds from 37.2 million pounds in 1960. There has been no significant swing to this market from the U.K. which imported some 62 million pounds in 1960-61.

Dairy Products

Whole milk production totalled 1,320 million gallons in 1961, 6 per cent short of the 1960 record. This caused a decrease in butter output, which dropped from 195,000 to 176,000 tons. Cheese production stayed at approximately 45,000 tons, with consumption about 5.86 pounds per person, slightly above the five-year average. Butter exports fell from 78,100 to 62,000 tons.

No fall in milk production is expected in 1962. Butter exports will likely drop and cheese exports rise. However, butter and cheese production and imports in the U.K. are expected to increase in 1961 and this and the fact that large stocks are held in most importing countries means that low prices may prevail next year.

Fruit

The crop of apples, citrus, bananas, peaches, pears, pineapples and apricots fell slightly. Grapes increased by 44,000 tons and dried vine fruits by 11,000 tons. Most fresh fruit exports dropped, but apples gained 811,000 bushels over the 4.9 million in 1960. Canned pear exports increased but those of canned peaches, apricots and pineapple slumped. The sharp downward trend in canned fruit prices will be arrested next year, it is hoped. Prospects for the coming season appear satisfactory, particularly since South Africa's crop was lighter this year because of dry weather.

U.K. Market Causes Concern

The United Kingdom's application to join the Common Market has caused grave concern in the Australian agricultural industry over the future of exports to Britain. Seventy-five per cent of all Australia's exports are agricultural and the U.K. is the leading market for most of them. Wool comprises about 40 per cent of this total and since it would be free of duty under the EEC's common external tariff, and there is no preference on it in the U.K., Australia's position in regard to wool, so far as can be seen, would remain unchanged. However, other important Australian exports, such as wheat, meat, fresh and canned fruits and dairy products (particularly butter), could be adversely affected. There is considerable speculation among Australian exporters on the extent to which their trade would be damaged by U.K. membership in the Common Market. ●

How the Venezuelan Government Buys

Largest single importer, the National Government through its Ministries and agencies purchases a wide variety of goods and services. Our Caracas office outlines purchasing procedures, lists types of products in demand, stresses need for alert local agents.

W. D. WALLACE, *Commercial Counsellor, Caracas.*

THROUGHOUT the economic recession that Venezuela has experienced over the past two years, the National Government has remained the biggest single importer and on the average accounted for 7 per cent of total imports. The decline in Venezuelan imports from Bs.6,140 million in 1957 to Bs.3,371 million in 1960, has been accompanied by a reduction in government buying from Bs.395 million in 1957 to Bs.276 million in 1960. In the four years, machinery and equipment accounted for 35 per cent of the Government's average imports, followed by construction materials 21 per cent, transportation equipment 20 per cent, raw materials 10 per cent, consumer goods 10 per cent, and foodstuffs 4 per cent.

The shortage of foreign exchange has without doubt vitally affected government buying and probably this effect will continue for some time to come. The development of local industry is also resulting in a reduction in purchases from abroad. Encouraged by various forms of protection, domestic industry has reached a stage where it can supply some products previously imported. Moreover, new regulations introduced from time to time assure definite government business for these new industries.

Encouraging Local Suppliers

To make certain that local industry receives the preference in government orders, Decree No. 512 of January 13, 1959, required all government departments and agencies to obtain their needs exclusively from local sources of supply, even if the prices of the latter were 25 per cent above those of imported goods of similar quality. Whenever local prices are above the 25 per cent margin, foreign offers may be considered.

As a general rule and in accordance with Article 427, Title 1B, Chapter 1, of the Finance Law of Venezuela of March 17, 1961, government departments and agencies usually invite tenders for supplies and materials. This also applies to construction projects and other developments, such as power plants and government industries. Exceptions are permitted when national protection is concerned, for technical services, and for the purchase of small items under Bs.10,000 in value. Small purchases are made locally through direct contact wi agents of local and foreign firm Where contracts are called for tender, Venezuelan and forei firms may submit bids, but gover ment departments and agenci invariably insist that they be su mitted through agents residing Venezuela. When the required m terials cannot be obtained in Ven zuela or through local agents, dire contact is made with foreign firm abroad.

The Public Credit Law that cam into force July 23, 1959, places control over loans and credits Venezuelan government organiz tions so that they will not excee their current budgets nor exter terms beyond the budget year wit out prior approval from the Ven zuelan Congress. When governme agencies require larger credits an longer terms, the Canadian export and his local representative shoul be sure that the local governmen agency has the necessary approv from the Congress.

Procedures for Tenders

In 1958, the Ministry of Com munications established a buyin procedure. Although other gover ment departments did not adopt officially, they have used it more o less. Not all government depart ments require prior registration, bu it is advisable for local agencies t follow this course.

The Ministry of Communication buys according to the followin order of preference:

1. Products of national manufac ture using national raw materials even though the price may, to a reasonable extent, be higher.

2. Products assembled or finishe in Venezuela using imported raw materials. Here again, reasonabl allowance is made for higher prices

3. Local stocks of imported prod ucts.

4. Products imported directly.

If local industrialists, dealers and agents of foreign exporters are to be eligible for registration as suppliers, they must submit evidence that they are up-to-date in payment of taxes. In addition, they must prove their good standing and that they can meet, financially and technically, the requirements of government orders. They must file balance sheets and bank references with the Ministry.

Once the application for registry has been accepted, a number is assigned to the firm and it becomes a recognized potential supplier. It can then inspect regularly the list of the requirements of the Ministry of Communications and is free to negotiate with the purchasing department.

Purchases of goods over Bs.10,000 in value are generally made through tenders that are published in the local press. Interested parties obtain from the purchasing department the standard big form and a blue and a pink envelope. The blue envelope is to contain only the offer, without any identification of the firm submitting the tender. The pink envelope contains full details about the firm. The Ministry issues receipts for each offer. After a given time, the blue envelope is opened and the offer examined by the Ministry. Once a decision has been reached, the pink envelope is opened to identify the bidder.

After the Ministry has approved a bid, it is further examined by the Office of the National Comptroller (Contraloria de la Nacion). This office maintains attachés at the Venezuelan missions in the main supplying countries, and through them investigates whether prices submitted in the tenders are in line with the average prices of the supplying countries.

Departmental Needs

There are certain government departments and agencies whose purchases are of little interest to Canadian exporters because most are for administrative materials valued at less than Bs.10,000 and are procured locally. These buyers include the Ministries of Education, Justice, Mines and Hydrocarbons, Development, External Affairs, Internal Relations, and Labour, as well as such agencies as the Military Club, National Corporation of Hotels, and the Venezuelan Development Corporation. At times, however, the Ministry of Justice purchases equipment and occasionally swine for the penitentiary labour camps, and the Ministry of Education buys some agricultural equipment for training schools and equipment for technical schools.

On the other hand, a number of departments and agencies make large-scale purchases and most of their requirements must be imported. Some of the more important departments and the products required are listed below.

- *Ministry of Defence (Army, Navy, and Air Force)*—Requires the prior registration of bidders and uses the tender system for purchases of military equipment and arms, including aircraft, missiles and guns, chemical products, petroleum and lubricants, radar, radio and electronic equipment and instruments.

- *Ministry of Public Works*—Uses the tender system and purchases a wide range of goods, from administrative supplies to tractors, heavy machinery and instruments. Very large stocks of heavy equipment in Venezuela offer little opportunity for sales of imported equipment at this time.

- *Ministry of Communications*—Requires prior registration by bidders and follows the tender system in purchasing most of the communications equipment it requires.

- *Ministry of Agriculture and Livestock*—Follows the tender system and purchases equipment for agricultural and engineering schools. In addition, buys a wide range of agricultural equipment and machinery as well as livestock.

- *Ministry of Finance*—Because the supervision of harbours comes under this Ministry, periodically it requests tenders for trucks, cargo-handling equipment, etc.

- *National Railway Institute*—This agency comes under the supervision of the Ministry of Communications. It requires prior registration, purchases under the tender system, and is responsible for all procurements for the state railway system.

- *The Guayana Development Corporation*—This recently formed agency was originally part of the Venezuelan Development Corporation and has now taken over the administration and development of the Guayana area, which includes the steel plant at Matanzas on the Orinoco River and the hydroelectric development of the Caroni River. This agency will handle the purchase of heavy machinery and equipment for the steel industry and the electrical development of the area. At present it is doing extensive technical planning, and as plans progress there may be opportunities for various products.

- *CADAFE*—This is the government agency that has taken over the former electrical department of the Venezuelan Development Corporation. It is in charge of rural electrification programs. Under the tender system, it procures its requirements of equipment and maintenance materials for thermal and hydroelectric plants, substations and power lines.

- *Instituto de Obras Sanitarias*—This agency, referred to as INOS, supervises municipal water systems in Venezuela. It buys on tender and is well known to Canadian firms as a substantial customer for pipe, pumps, water meters, water-treatment chemicals and other equipment required for waterworks systems.

- *National Agrarian Institute*—Is in charge of the Venezuelan agrarian reform program and at times purchases by tender agricultural

equipment and some cattle as well as seed.

• *Banco Agricola y Pecuario*—This agency administers loans to farmers for government-sponsored projects and acts as import agent on behalf of the Government for agricultural products in short supply, which it purchases under the tender system. It is well known as a substantial buyer of Canadian seed potatoes.

• *Venezuelan Navigation Company*—This is the government-owned steamship line. The major portion of its requirements for maintenance of vessels is purchased abroad.

• *National Petroleum Corporation*—This new government company has recently commenced drilling operations. It may eventually enter the field of petroleum refining and marketing and if so, may offer opportunities for the sale of special equipment.

• *National Nutrition Institute*—This agency manages food kitchens for the poor as well as school kitchens. Purchases usually include kitchen equipment, powdered milk, and low-priced staple foods.

• *Petrochemical Institute*—Operates a petrochemical industry and needs a wide range of raw materials, as well as machinery and plant equipment. Sometimes it endeavours to barter its products against its imports but otherwise purchases on tender.

Local Agents Essential

To participate in Venezuelan government business, it is essential to have a reliable agent who is prepared to watch for the Gover ment's requirements. The limit time between the call for tende and the closing of bids frequent means cabling quotations on sho notice. Close attention must b given to correspondence and it important that local representativ be provided regularly with impo quotations and technical informa tion. Where possible, it is very hel ful to have these details in Spanis for use in negotiating and obtainir orders.

The Commercial Counsellor, Ca nadian Embassy, Apartado 1145 del Este, Caracas, is always please to assist Canadian exporters i selecting suitable agents and i providing information about th various purchasing divisions c Venezuelan government depart ments and agencies. •

GENERAL NOTES

Australia

IMMIGRATION—Recent figures released by the Bureau of Census and Statistics show that the largest number of immigrants in 1960 came from the United Kingdom and Ireland. Of the net immigration gain of 92,776, 24,204 came from the U.K. and Ireland, 20,113 from Italy, and 11,462 from West Germany. Close behind West Germany was Greece with 8,381 and the Netherlands with 7,251. These figures show a 9,198 gain over immigration totals in 1959—Melbourne.

NEW ALUMINUM INDUSTRY—Victoria will be the scene of one of the biggest and most important industrial developments in Australia. A £45 million aluminum manufacturing industry will be established at Point Henry, Geelong, by Alcoa of Australia Pty. Ltd., a new company formed by the Aluminium Company of America (51 per cent shares) and three Australian firms, Western Mining Corporation Ltd., North Broken Hill Ltd., and Broken Hill South Ltd. Bauxite will be obtained from the Darling Ranges in Western Australia and treated at Kwinana. The alumina will be transported 1,700 miles by sea to Geelong for smelting and fabricating. Smelters with a capacity of 40,000 long tons a year, and fabricating plant producing sheet alloy foil, extruded shapes and tubula products should be in operation by 1964. The new company will meet current domestic demand for alu minum and aluminum products and will seek expor markets—Melbourne.

TRADE MISSION—Australia's eleventh trade missior set out in August to visit New Caledonia, Fiji, Tonga New Zealand, Eastern Samoa and Tahiti. These countries import goods worth more than A£40 million a year, of which Australia supplies approximately 18 per cent. Recent surveys by government representatives and businessmen showed that exports could be increased substantially, and that there were opportunities to supply an increasing range of primary and secondary goods and capital equipment—Sydney.

Bahamas

DEVELOPMENT SCHEME—A 200-square-mile area called Freeport on the island of Grand Bahama is being developed as an industrial, residential and resort centre. To attract foreign businessmen, tourists and middle-class residents, Freeport offers 30 years freedom from

l forms of taxation—corporate, personal and real roperty—and 99 years exemption from excise and ıstoms duties, except on goods for personal consumpbn. Several businesses, including an electronics plant, ave already begun operations and residential and ıxury resorts are developing fast—Kingston.

eylon

MPORT CONTROLS BOOST SURPLUS—Ceylon's reign trade for the first quarter of 1961 ran up a ırplus of Rs.22.9 million, compared with Rs.12.9 illion for the same period last year. A drop in imports ecause of severe restrictions was responsible for the ırplus. Exports fell to Rs.445 million from Rs.508 illion in the same period last year, and imports talled Rs.422.1 million—Colombo.

eland

REEZE-DRYING PLANT—The Irish Sugar Comany has opened an accelerated freeze-drying food ant at Mallow. Vegetables, fruit, fish, meat, etc., can e treated by this process and stored indefinitely in ns, boxes or polythene bags. They do not lose their ste, texture or colour. The company is considering ports only, at present—Dublin.

etherlands

NSTALMENT BUYING REGULATIONS—The etherlands Government has announced the tightening f instalment buying regulations, effective August 3. linimum deposits for most consumer goods have been creased by 5 per cent, and for private motor vehicles y 15 per cent. Mail-order house credits had risen by 0 per cent in the first quarter of 1961, compared with rst quarter 1960, and consumer credits granted by rivate banks had risen 23 per cent.

The new regulations stipulate minimum deposits arying between 40 and 50 per cent for private motor ehicles, with the balance due within 24 months. A linimum deposit of 25 per cent has been fixed for otor bicycles, motor scooters, mopeds, bicycles, radio nd TV sets, gramophones, pick-ups, tape recorders, ccordions, stoves, electric and gas cooking ranges and ot water appliances (instalments: 18 months).

For refrigerators, washing machines, sewing mahines, vacuum cleaners, furniture, furnishing fabrics, eds, mattresses, and all kinds of floor covering, down ayments of 20 per cent are now required with instalents running for 18 months. For household textiles nd clothes the down payment is 20 per cent, instalents to be paid in 12 months—The Hague.

nited States

DA LOAN TO HONDURAS—The International evelopment Association has loaned $9 million to onduras for road development. The credit is for a term of 50 years. Repayment can be made in any convertible currency and will begin after a ten-year period at 1 per cent of the principal annually for 10 years and 3 per cent annually for 30 years. The credit is interest-free but there will be a yearly service charge of ¾ of 1 per cent on the amount outstanding. The loan is not tied to U.S. procurement.

The road development program includes a 62-mile extension of a main highway system with feeder roads into an isolated area of western Honduras. The Government hopes to open new land for settlement, increase farm production, and provide a direct route between Puerto Cortes on the Caribbean to El Salvador and Guatemala. The project will cost an estimated $13.5 million. In addition to the IDA credit, Honduras has obtained a $2.5 million loan and a $250,000 grant from the Inter-American Development Bank—Washington.

Uruguay

STAND-BY CREDIT EXTENDED—The International Monetary Fund has confirmed that the Uruguayan Government's economic policy complies with the requirements of the Fund and that Uruguay will be granted an extension of the "stand-by" credit of U.S.$30 million, up to June 1962—Montevideo.

West Germany

INDUSTRIAL PRODUCTION IN HAMBURG—The result of a recent study of the Hamburg economic and commercial area shows that the following industries are concentrated in Hamburg: 80 per cent of the West German copper production, 40 per cent of oil refinery capacity, 35 per cent of shipbuilding capacity, 35 per cent of the mineral oil refineries, 32 per cent of the fish-processing industry, 25 per cent of the margarine production and 25 per cent of the cigarette production —Hamburg.

THIRD COUNTRY IMPORTS—Of total West German imports in 1960, goods to a value of DM8.6 billion (approximately 20 per cent) were not purchased in the country of origin but in intermediary countries. Of these the most important were the U.K., the U.S., Switzerland, the Netherlands, Belgium, Luxembourg and France.

More than two thirds of the imports from Asiatic countries were made indirectly; notable were mineral oils from the Near East, all of which were bought by the large mineral oil concerns situated in third countries. There were more indirect than direct imports from Africa, Australia, Latin America (Chile, Peru, Venezuela) and the Netherlands West Indies. The value of direct exports amounted to DM2.2 billion (approximately 4.6 per cent of total exports)—Bonn.

Iran Prepares Third Development Plan

In September 1962, Iran completes its Second Seven Year Plan, launches out on a Third Plan. It covers the next five-and-a-half years, will cost $4.6 billion. Canadian engineering firms should establish contacts now if they wish to bid for business later.

A. B. BRODIE, *Commercial Counsellor, Tehran.*

IN September 1962, Iran plans to launch its Third Development Plan, which will be drawn up for a period of five-and-one-half years. The current Second Seven Year Plan—that has from the outset been subjected to several financial strains and stresses—will come to an end in September 1962. Its success in the closing year will depend largely on whether outside assistance will be forthcoming between now and September 1962 to meet the immediate financial requirements, totalling over $45 million.

Financial Requirements

The estimates for the Third Plan call for a total of 348 billion rials (approximately $4.63 billion). Of this total, 190 billion rials ($2.53 billion) will represent the public sector and the remaining 158 billion rials ($2.10 billion) the private sector. The $2.53 billion for the public program (as opposed to the private sector) is expected to come from the following three sources—public savings, domestic loans, and foreign loans and grants.

Projection of Iran's revenues during the Third Plan years have produced a total of 375 billion rials (approximately $5.0 billion). These amounts are estimated as follows:

Oil revenue	$ 1.96	billion
Customs duties	95	million
Income tax	56	"
Other direct taxes	10	"
Consumption taxes	76	"
Other revenues	37	"
	30	"
Total	$ 5.0	billion

Based on the experience and evaluation of the Second Plan, tentative allocations in the public sector have been made for four divisions of the economy—agriculture, industry, transport and communications, and social affairs. They are shown in Table I.

Third Plan Objectives

- To raise the national income of the country; the target is an increase of 6 per cent a year.

- To achieve a more even distribution of Iran's wealth. Some 75 per cent of Iran's people are peasants; the annual per capita income is close to $132.

- To improve agricultural production. Emphasis will be on achieving a greater yield from land now under cultivation by making more and better use of chemical fertilizers, insecticides, agricultural equipment and improved seeds.

- To encourage small industr[ies] that will tend to replace import[ed] goods. Under the private sector

TABLE I

TENTATIVE ALLOCATIONS UNDE[R] THIRD PLAN

	Value billions of rials	millions $ (appro[x.])
Agriculture		
Cereals, fruits and vegetables, industrial crops, livestock production and forestry	6.7	90
Production support programs	11.5	153
Land tenure administration	5.1	68
Well and Ghanat renovation programs	1.3	17
Other irrigation programs	10.5	140
Research and miscellaneous	1.5	20
Total	**36.6**	**488**
Industry		
Private industry	7.5	100
Private mines	0.7	10
Public industry	15.2	202
Public mines	2.2	30
Private and public replacements	7.0	93
Increase in the budget of Ministry, surveys etc.	1.9	25
Electricity (industrialize)	19.2	256
Total	**53.7**	**716**
Transport and Communications		
Roads	23.2	309
Railroads	6.9	92
Ports	3.2	42
Airports	4.0	53
Telecommunications	4.4	58
Oil pipeline	5.0	66.5
Meteorology	0.5	6.5
Cartography	0.5	6.5
Tourism	0.5	6.5
Total	**48.2**	**640**
Social Affairs		
Manpower	5.3	71
Education	15.7	209
Health	12.3	164
Local development	11.2	150
Statistics	1.6	21
Total	**46.1**	**615**

Note: (a) An additional 5.6 billion rial[s] ($75 million) has been included in th[e] grand estimated total of the Third Pla[n]. This amount is intended for surveys for th[e] Fourth Plan and unallocated funds.

(b) Of the estimated total amount of th[e] public sector (190.2 billion rials, or approx[i]mately $2.53 billion), nearly 60 per cent [o]f the total has been defined by the Pla[n] authorities as the "core" of the Plan—th[e] amount that should be kept intact an[d] should not be affected by changes in th[e] availability of resources.

he Third Plan ($2.1 billion), rivate investment must play an nportant rôle, as the Iranian Gov-rnment will provide little financial ssistance. Heavy industries, on the ther hand, will be the task of the iovernment under the Third Plan.

• To train manpower to carry out he Third Plan. It has been esti-nated that Iran will need almost 30,000 fully trained technicians nd experts.

• To emphasize smaller "core" rojects across the country. Only 8 per cent of the Second Plan's unds were earmarked for rural levelopment, agriculture and sim-lar projects.

Canada and the Plan

An improvement can be expected in Canadian trade prospects in Iran luring the forthcoming Plan years. With the likelihood that many smaller industries will be developed, a greater demand for Canadian raw and semi-manufactured products should appear. It should be noted, nowever, that tentative blueprints for the Third Plan do not call for heavy expenditures on projects such as massive dams and large airports, like those included in the programming for the current Second Seven Year Plan.

Canadian engineering firms will have to consider laying some groundwork now if they wish to participate in the Third Plan in September 1962. The competition is stiff and the cost may be great—with no assurance that a newly arrived firm will be awarded a contract later on. At the moment, some of the larger international engineering companies are standing by (most of them maintaining skeleton staffs) awaiting the new opportunities that the Third Plan may offer. For a firm without previous experience in the country, the prospect of being awarded a contract is *not* promising. Affiliations with companies already in the country (foreign and Iranian), would, however, improve the chances. ●

Brazil Again Exports Peanuts

MALCOLM ROWAN, *Acting Commercial Secretary, Rio de Janeiro.*

BRAZILIAN peanut production and consumption have increased in the past few years, but only enough to satisfy the domestic market. During 1960 and the first six months of this year Cacex (the Foreign Trade Bureau) of the Bank of Brazil refused to grant export licences; in 1959, exports totalled only about 700 metric tons. In June Cacex lifted the restrictions on peanut exports in the hope that it would stimulate domestic prices, which had fallen below the official minimum price of Cr.$600.00 per 25-kilo bag. Canadian peanut importers who bought from Brazil in 1958 will find this source of supply again open to them.

It is estimated that in the 1961/62 crop year Brazilians will raise about 410,000 metric tons of unshelled peanuts, compared with 360,000 in 1960 and 313,000 in 1959. Currently, about 657,000 acres are cultivated for peanuts, a considerable increase over previous years.

New uses are constantly being found for peanuts and peanut products and domestic consumption is increasing rapidly. An example is the recently established peanut butter industry. This product, unknown to Brazilians a few years ago, is now becoming popular. Peanut oil is in great demand for cooking and is even more popular than cottonseed oil and olive oil. It is also used for illumination and lubrication, in various kinds of soap (where it is mixed with other oils), and for margarine. Candy manufacturers use fairly large quantities of peanuts.

Many varieties of peanuts are grown in Brazil; the State of Sao Paulo, for example, cultivates the Yellow, Common, Jumbo, Nhambiquara, Pôrto Alegre and Creeping varieties, and all of these are now available for export. Major buyers are shown in the table.

BRAZILIAN PEANUT EXPORTS*

	1957		1958		1959	
	Kilos	U.S.$ ('000)	Kilos	U.S.$ ('000)	Kilos	U.S.$ ('000)
Shelled						
Netherlands	9.9	2.2	215.2	30.3	312.7	40.0
Canada			1,382.3	182.4	50.0	6.8
Chile					15.0	4.4
United Kingdom			311.7	44.0	231.6	36.3
Venezuela					5.0	0.8
West Germany			120.1	14.7		
Argentina			21.0	2.6		
Unshelled						
Algeria	58.2	15.8	No exports allowed			
United Kingdom	5.0	1.3			25.0	4.2
Netherlands	40.4	8.6			10.0	1.6
Trinidad	7.5	2.1				
Chile					5.0	1.0

*Source: Brazilian Ministry of Finance.

Canadian Imports of Brazilian Peanuts

	Quantity (pounds)	Value (Can.$)
1958	3,053,010	316,004
1959	110,088	8,282
1960	no imports	

In its recently announced export drive, Brazil is looking to agricultural products like peanuts (both shelled and unshelled) to increase its foreign exchange holdings and at the same time help its agricultural economy, which has been rather neglected. Canadian importers may benefit. ●

The Australian Jewellery Market

Religious articles, soapstone carvings, crystalware and products that are uniquely Canadian represent the best opportunities in this market. Although competition from local industry and other foreign suppliers is keen, tariff preferences and the difference in the seasons often work to the advantage of Canadian exporters.

L. D. BURKE, *Assistant Commercial Secretary, Sydney.*

THE market in Australia for Canadian jewellery must for the most part be considered a modest one because of a well-established local industry capable of meeting most of the domestic demand and keen competition from overseas suppliers for the remaining business. Nevertheless, by concentrating on specialized lines and adapting sales techniques to take advantage of what opportunities there are, Canadian exporters might well be rewarded for their efforts in this market.

Large Domestic Industry

The chief obstacle to substantial Canadian jewellery sales in Australia is the highly diversified and modern jewellery industry here. There are over 100 firms that manufacture and process jewellery and precious metals in Australia and the Customs Tariff offers as much encouragement as possible to the continued growth of this industry. Precious stones—including pearls, diamonds, emeralds and imitation stones—that are to be set locally all enter duty-free. Imports of these precious and semi-precious stones for the year ended June 30, 1960, totalled over Can.$4 million, which gives some indication of the size of the manufacturing trade. Not only are imports of necessary metals duty free, but precious stones such as sapphires and opals (Australia is world famous for the latter), and ample supplies of gold and silver are available from local sources.

Some of the jewellery and related products manufactured in Australia include ring mounts, rings, lockets, brooches, pins, watchbands, chains, jewellery cases, silverware, cutlery and stainless steel articles. Local producers supply about 50 per cent of the market for imitation jewellery, and 90 per cent of the market for special lines such as gold jewellery. Yet despite the extensive range of locally made products, Australia imports certain types of jewellery.

Australian Imports

Among the more important of the jewellery imports, Australia last year purchased abroad approximately $1.5 million worth of imitation jewellery, $500,000 of beads and necklets (not including those made of pearls and precious stones), and $500,000 of ordinary metal watchbands. Stamped metal jewellery, pearlized earrings and rhinestone settings were the most popular of the imitation jewellery imports, and there were large purchases of beads and necklets made of glass and plastic beads. A wide range of watchbands came into the country, including stainless steel, gold-plated and gold-filled models.

After being subject to import control for nearly ten years, jewellery was in February 1960 suddenly exempted from licensing. In the wide open market that has prevailed since, competition has been particularly keen. Last year, Germany was the principal supplier of imitation jewellery and watch bracelets and Japan of beads and necklets. Other major exporters were Austria, Czechoslovakia and Italy. The jewellery market in Australia is, ther fore, well catered to by both loc and overseas manufacturers. Neve theless, there may still be opportur ties here for Canadians. To assi Canadian exporters in assessing the competitive position, a number factors governing sales in the Au tralian jewellery market are set o in the following paragraphs ar specific lines that offer more e couraging sales prospects mentione

The Market Analyzed

• *Price*—For cast or claw-set typ of imitation jewellery, prices must b kept as low as possible. Quality i the medium- to low-priced ranges jewellery doesn't command a pr mium. For imitation jewellery, pric of domestic, Austrian, Czechoslov kian and German manufacture govern the market. These must b met if sales are to be made. Recentl this office investigated a Canadia offer of cast rhinestone jeweller the quality of the samples was equ to that of other countries, but th price was so far out of line that was impossible to interest importer

• *Uniqueness*—There is a read market for Canadian manufacture who can offer something unusua or who can exploit materials that ar either exclusive to Canada or pa ticularly inexpensive there. Fo example, the U.S. is doing quit well here with lacquered coppe bronze and brass imitation jeweller this is not made locally. West Ge many is selling coloured beads mad

f woods indigenous to the German rests.

Complexity of Market—To sell to ustralia, Canadian exporters will most certainly have to work rough an agent who calls regularly n the jewellery wholesalers. This is ecause of the complexity of the arket and the large number of posble outlets. If a Canadian manufacrer is prepared, however, to accept ery limited sales for his products, may find it possible to sell directly one or two of the larger accounts n an exclusive basis.

Seasonal Demand—Since the seans of the year are opposite in anada and Australia, "stock lots" ight be interesting to Australian uyers. A Canadian line that has roved successful in Canada might ell find equal acceptance in the llowing season in Australia. Spring d summer (October through arch) are the best selling seasons Australia, and Canadian exports, to take advantage of sales posbilities in this period, must have mples and prices in Australia by e end of July. Offers could be ade locally until as late as August r shipment no later than Septemr. Local agents would require tion on stock lots of up to three eeks after arrival of samples.

Tariff Preference—Canadian exrters should remember that in the ajority of cases they enjoy a tariff lvantage over most other suppliers. nitation jewellery, for example, ported from most-favoured-nation untries such as Germany, Japan d the U.S. is subject to an ad lorem rate of duty of 45 per cent. anadian jewellery that has at least 5 per cent Canadian content would ter at a British preferential rate* 27½ per cent. Manufacturers in anada who import their stones and her materials, however, must make re that they are able to qualify n the basis of Canadian content efore including in their price callations the B.P. rate of duty. The st of materials of other than Canaan or Australian origin, including those of Commonwealth origin, may not be used in computing the Canadian content needed to qualify.

• *Customs Regulations*—There are certain Australian customs marking regulations* for jewellery with which Canadian exporters must comply. Before approaching the market, it would be advisable to obtain copies of these regulations to make sure that all requirements can be met.

• *Protection of Design*—Canadian manufacturers should know that in imitation jewellery, it is practically impossible to guarantee protection of their designs in this market. If a particular line seems to be selling well, it will quite probably and within a very short time be copied, perhaps with slight modifications.

Opportunities for Canadians

In the wide range of goods covered by the jewellery trade, certain specialized lines seem to offer the best opportunities for Canadian exporters. Examples include:

• *Watch Bracelets*—It may not be possible to compete on a price basis with watchbands coming into this country from other suppliers, or with those being manufactured locally, but in certain instances Canadian finish and quality may be good enough to compensate for the higher price. If a patent is held in Canada for a particular style of band, it should be registered in Australia as well. In stainless steel watchbands, the market is almost fully taken up by the Japanese. One other possibility is the sale of watchband components for assembly locally.

• *Jewellery Boxes*—These are manufactured in Australia but are quite expensive. We have received samples of boxes from Canada and have shown them to the trade. They found them excellent in quality but high priced. However, a manufacturer in Canada turning out jewellery cases on a mass-production basis might well find sales prospects here.

• *Crystalware*—We have received inquiries on several occasions from local firms indicating an interest in offers of crystalware from Canada. Firms in a position to supply it may wish to send catalogues, photographs, prices and other information on their products to the Commercial Counsellors in Sydney and Melbourne for the purpose of testing the market.

• *Religious Articles*—Because there is a good-sized market for religious items in Canada, it is felt that in certain cases the Canadian-made article might be competitive here as well. Suppliers of crosses, candelabra, etc., may wish to assess market possibilities through the Sydney and Melbourne offices.

• *Soapstone Carvings*—Local firms who have seen samples of soapstone carvings from Canada are enthusiastic about them and feel that something might be done to sell them here.

Other lines that might be considered are toilet sets, silver-plated flatware and holloware, copper blanks for silverware, and certain decorative household furnishings, such as lamps. There are items, however for which prospects appear to be unpromising: they include chain and ring mountings. For chain, Canadian companies are not likely to be competitive with local producers; in ring mounts, there is a well-developed local industry that incorporates the latest overseas designs and offers competitive prices. Except in a few cases, Australian manufacturers use 9- and 18-carat gold for their ring mounts and not the other gold-carat ratings used in Canada.

Fashion Important

Since fashion in Australia, as in most parts of the world, dictates what jewellery madame will wear,

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*Details about British preferential tariff requirements and Australian customs marking regulations for imported jewellery may be obtained from the International Trade Relations Branch of the Department of Trade and Commerce, Ottawa, or by writing airmail to the Commercial Counsellors in Sydney or Melbourne.

here are a few fashion tips for Canadian exporters anxious to assess prospects in Australia in the coming year:

1. The market will be very colour conscious. In the spring of 1961 (November - December), favourite colours are expected to be beige, avocado, light bronze, peach and some pink. In clothing, gold is an up-and-coming colour and jewellery will have to match it.

2. The market, always very style conscious, will be more so than ever. This works to the advantage of the domestic manufacturer who is able to step up production of a line that is doing well. It works against the importer, who must order months ahead and who is at a disadvantage when an item spurts ahead in popularity.

3. Silver in imitation jewellery is not in great demand this year in Australia, nor is it expected to be in the near future.

4. Large chunky bracelets in gold, bronze and copper are all selling well. Drop earrings, on the other hand, are not in fashion.

Approach through New York

There is one final factor concerning fashion in Australia that should be considered. There are a select number of department and retail stores in this country that are particularly important in the jewellery trade. Most of them have resident buyers in New York. Since these stores represent substantial accou[nts] in themselves and to a large ext[ent] set local fashion trends, Canadi[an] exporters might do well to call [on] their buyers in the United Stat[es]. For the benefit of Canadian man[u]facturers wishing to follow up t[his] lead, the Commercial Counsellors [in] Australia will gladly supply t[he] names of the Australian compani[es] and their overseas representativ[es]. The Deputy Consul General (Co[m]mercial) in New York could al[so] be of assistance.

The jewellery market in Austra[lia] is an interesting but difficult one. [It] requires careful study and attenti[on]. But for those who are prepared [to] approach it on this basis, it cou[ld] well turn out to be a worthwhile ou[t]let for their products. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

Costa Rica

FOREIGN EXCHANGE REFORM—The International Monetary Fund has advised that it has concurred in the proposal by the Government of Costa Rica for a change in the par value of the Costa Rican colon from 5.60 colones to 6.625 colones per United States dollar. The change was effective on September 2.

At the same time, the Costa Rican Government is also effecting a major simplification of its exchange system. Until now Costa Rica has conducted its international transactions under a system of dual exchange rates. The previous official market rate of 5.60 colones per U.S. dollar, which applied to most exports and to those imports included in the List of Articles of Prime Necessity (about 50 per cent of all imports), has been eliminated. All foreign payments are to be made at 6.65 colones per U.S. dollar. Temporary export taxes are to be established on coffee, bananas and sugar.

Finland

NEW IMPORT LIBERALIZATION ANNOUNCED—The Finnish authorities have announced that, effective July 1, 1961, new liberalization measures went into force. Among the products from which quantitative restrictions were removed when imported in[to] Finland, were:

Soap flakes and powder
Paper towels and handkerchiefs
Cut out patterns
Surgical silk
Certain impregnated textile fabrics
Certain types of fire hoses and hosepiping
Made up accessories for articles of apparel
Pot scourers and polishing pads, gloves and the like, of iron or st[eel]
Vacuum cleaners, other than those weighing more than 15 kilos
Pocket torches of artificial plastic materials
Invalid carriages
Apparatus and equipment for photographic laboratories
Chairs with an aluminum frame
Articles made of foam rubber
Mechanical training apparatus

Index to *Foreign Trade*

The index to Volume 115 of Foreign Trade, *cove[r]ing the issues from January 14, 1961, to June 1[?], 1961, has now been printed. Readers who wish to hav[e] copies should write to the Editor.*

The Swiss Tobacco Industry

Swiss importers have expressed an interest in unmanufactured Canadian tobacco, but this large market, untried by our growers, requires careful attention to its special requirements. Tobacco products face high duties that make it difficult for Canadians to compete.

JOHN H. NELSON, *Assistant Commercial Secretary, Berne.*

THE retail tobacco trade in Switzerland is characterized by the wide variety of products and brands on sale. It is estimated that 400 brands of cigarettes, 300 brands of pipe tobacco, 1,400 brands of cigarillos, and 800 brands of cigars, all of Swiss manufacture, are on the market. In addition, there are approximately 1,500 different imported products.

The handling and distribution of such large number of brands inevitably creates problems. Leading wholesale firms believe that the successive lowering of duties under the European Free Trade Association agreement may force the Swiss tobacco trade to find a more rational system of distribution.

In 1959 Swiss tobacco manufacturers produced approximately 500 million cigars and 10 billion cigarettes. Seventy-two per cent of the cigarettes were filter-tipped. Although tobacco manufacturing is not a major factor in the Swiss economy, the firms are often major employers in the areas where the factories are located.

Production and Imports

Approximately 4,500 Swiss tobacco growers engage in the cultivation of 2,718 acres, and production valued at between 8 and 10 million Swiss francs (approximately Can.$1.86 million to $2.09 million). This production meets only [illegible] per cent of the total tobacco requirements of Swiss manufacturers and the remainder is imported.

In 1960, Switzerland imported [illegible]9 million kilograms of tobacco and tobacco products valued at Sfr.99.8 million ($20.85 million). The largest item in this trade was tobacco for manufacturing cigarettes. Statistics in the accompanying table provide further details on the cigarette tobacco Switzerland imported during 1960.

Canada does not appear in these statistics as a supplier. This is not completely accurate because small quantities of Canadian tobacco are re-exported to Switzerland from the United States. In 1960 Canada exported a total of 25.4 million pounds of tobacco and tobacco products valued at $37.2 million, (of which Switzerland purchased 29,707 pounds valued at $5,152) plus 52.3 million cigarettes valued at $216,896; Switzerland took about 34,000 cigarettes valued at $136. The reasons that Canadian exporters have not participated more in the Swiss market include market demand for types of tobacco not grown in Canada, non-competitive prices, and lack of interest in following up market leads.

SWISS IMPORTS OF TOBACCO FOR THE MANUFACTURE OF CIGARETTES

	1960 Kilograms	1960 Swiss francs
United States	5,055,096	42,272,926
Greece	1,317,695	11,413,184
Turkey	1,001,943	7,117,848
Italy	1,043,276	5,594,337
U.S.S.R.	192,492	1,545,434
France	159,134	1,100,856
Brazil	135,801	579,854
Others	489,797	1,891,170
Total	**9,395,234**	**71,515,609**

Import duties are levied on the basis of gross weight, including packing. The duties for unmanufactured tobacco vary from Sfr.30 for Kentucky or dark Virginia tobacco to Sfr.675 for tobacco used to manufacture cigarettes, all per 100 kilograms gross. Tobacco without guarantee as to use is subject to a levy of Sfr.4,000 per 100 kilograms gross. The duties on manufactured tobacco are considerably higher. For example, cigarettes packaged for retail sale pay Sfr.3,000 or Sfr.2,400 per 100 kilograms gross, depending on the inclusive weight per unit. Although there is a potential market in Switzerland for imported manufactured tobacco, particularly cigarettes, the high duties raise prices and thus limit the market. Imports of unmanufactured and manufactured tobacco from other European Free Trade Association countries are subject to the same duties as imports from all other countries.

Market Requirements

Switzerland maintains no import or payment restrictions on tobacco or tobacco products. As a result it is a highly competitive market which receives regularly offers from virtually every tobacco-producing country in the world. One of the first steps in quoting successfully on exports to Switzerland, therefore, is to prepare offers in a manner acceptable to the buyers. For tobacco, this should include information on the grade and weight and prices quoted c.i.f. European port. The usual ports for shipment to Switzerland are Rotterdam and Antwerp.

The office of the Commercial Counsellor, Berne, Switzerland, has recently received expressions of interest from Swiss importers in both Canadian tobacco and tobacco products, and further information may be obtained by writing directly to the Commercial Counsellor. ●

North Carolina: a Neglected Market

Looking for a good U.S. market for industrial materials and consumer goods, where transportation presents no problem? Why not find representation in Charlotte and sell in this expanding area.

G. E. BLACKSTOCK,
Vice Consul and Assistant Trade Commissioner, New Orleans.

NORTH CAROLINA is one of the most promising markets in the east-central United States. In recent years it has succeeded in attracting and building up new industries and modernizing and expanding old ones and has been busy and booming. Canadian exporters should take advantage of this promising situation.

By far the most important commercial centre of North Carolina—of both Carolinas, North and South—is the city of Charlotte. With a population of 210,000, it is not large, but within 75 miles of it live 2.2 million people—more than in the area surrounding much bigger U.S. cities like Indianapolis, Minneapolis, Atlanta or Kansas City, and three-quarters of the population living within 75 miles of Toronto. Charlotte has nearly 1,000 wholesale firms, covering in most cases both North and South Carolina; about a quarter of them cover the whole Southeast. The New Orleans Trade Commissione office has a record of 268 manufa turers' agents in Charlotte. The c is also a transportation centre a is particularly well served by ov 100 trucking lines. Several rail lir also serve Charlotte, as do regula scheduled flights of a number airlines. From all points of vie Charlotte should be an obvic place for the Canadian exporter try his fortunes.

Leading Industries

North Carolina leads the Unit States in production of textiles, t bacco and furniture. Electror equipment, food and paper produ and hard goods are also importa manufactures there. Most of t industries and population are l cated in the Piedmont area, roughly oval area lying parallel the Atlantic coast and including tl district around Greensboro, N.C at the upper end, with Greenvill S.C., at the lower end and Charlot in the middle. The Piedmont sep rates the mountainous inland part North Carolina from the 125-mil wide strip of sandy coastal pla lying along the Atlantic. In th High Point, Greensboro and Wi ston-Salem triangle of North Car lina, the country's most importa furniture and tobacco production located. Textile manufacturing important throughout the Piedmo area.

Port Facilities

North Carolina's two ports—Wi mington and Morehead City—ar growing in importance. Equippe to handle liquid and dry bulk an general cargo, they have bee

Looking for new techniques, these Nort Carolina farmers inspect a tractor-draw manually operated cultivator on the far of George Braun, Delhi, Ontario. Le to right are B. P. Hardee, L. G. Whit head, H. B. Bryan, the machine operato and F. Darden.

ǝerating at a capacity that is being ¢panded as fast as handling and ꞩorage facilities can be built. Al-iost all North Carolina's importers ıd exporters make at least some ıe of the State's ports. Although ere is no scheduled ship service etween these cities and Canadian prts, there are fairly frequent harter sailings from Canada to Yilmington and Morehead City and other Atlantic and Gulf ports. here may be opportunities for anadian exporters to take advan-tge of the lower ocean freight rates n commodities like lumber and uilding materials, for which the prts have special handling equip-ent. One of the major banks in orth Carolina has recently set up special international department Wilmington that is trying to imulate foreign trade. That office nd the State Ports Authority can elp and advise the Canadian ex-prter. He can get in touch with oth of them through the New rleans Trade Commissioner's ffice; the officers there make regu-r visits to North Carolina.

ood Opportunities

Although North Carolina de-ends so heavily on textile, tobacco nd furniture manufacturing, a ariety of other industries offer good pportunities to the Canadian ex-orter. Direct sales to North Caro-na of the world's important trading ations in Europe and also Japan otal over $40 million a year, not ounting goods shipped into New York and other ports and forwarded o their destination. These include any of the products in the list ac-ompanying this article and repre-ent sales for which Canadian xporters should be competing.

There is a good market for fish nd certain other food products, but t needs developing. Sales of soft-wood lumber, plywood and veneers ould be increased if more Canadian firms would send repre-entatives to call on customers. Competition with the hardwood roducers of Pennsylvania and New Jersey for the big North Carolina furniture industry market is diffi-cult, but a few Canadian exporters of hardwoods have shown that it is possible, although sales have not been made regularly. A surprisingly large volume of foundry and steel-mill products of practically every kind are imported into the State, mainly from the Common Market countries, Britain and Japan—in-cluding about $10 million worth of products which Canada also ex-ports to the United States. Rein-forcing bars, tubes and pipes, nails, and wire products are the main ones. North Carolina also buys in quantity from abroad textile ma-chinery, transformers and parts, and a variety of chemicals.

Canadians Might Sell in North Carolina . . .

Frozen fish
Fish, not for human con-sumption
Pork sausages
Canned bacon
Apple concentrate
Jellies and jams

Cellulose products
Plywoods and veneers
Hardboard
Paperboard
Insulating board
Pulp
Softwood lumber
Hardwoods
Christmas trees
Gladiolus bulbs
Seed potatoes

Iron and steel
- bars
- plates
- structurals
- tubes and pipes
- sheet
- wire strand
- wire
- fencing
- nails
- bolts and bolt blanks
- malleable cast iron fittings

Copper in rolls, sheets and rods
Seamless copper tube
Seamless brass tube

Electric machinery and parts
Tractors
Textile machinery
Transformers and parts
Toys

Sodium compounds
Ammonium nitrate
Ammonium chloride
Urea
Miscellaneous coaltar products
Synthetic resins and gums
Vinyl acetate
Pigments, paints and varnishes

Representation Important

Some Canadian firms are trying to do business in North Carolina, as well as in other parts of the South, through a single agent or representative, usually located in New York or Chicago. Only in ex-ceptional cases can a market as big and as varied as the United States be adequately covered in this way, unless the agent has his own or-ganization specifically set up to cover the rest of the country. I have met agents and brokers and dis-tributors in North Carolina (as I have in other Southern states) who wanted to handle Canadian prod-ucts, only to find that the Canadian company making the product al-

ready had an agent half a continent away with an exclusive franchise for the whole country. Seldom has it turned out that the agent was doing an active selling job in the state. Outside of the few large urban centres, he usually is just an order-taker and all too often he doesn't go very far afield to solicit business. Representation in North Carolina should be entrusted to an agent who covers a territory consisting of only the state or both Carolinas, or at the most of the Southeast, depending on the product. Except in rare cases, agents should not cover a larger area. Unless there is a particular reason for choosing another city, Charlotte is probably the be[st] place to start.

North Carolina is a self-co[n]tained, valuable market. It can al[so] serve as a centre from which [to] cover the two Carolinas togethe[r] or an even larger area of the Sout[h]east. It deserves the Canadian ex[-]porter's attention. ●

U.A.R. Expands Its Pulp and Paper Industry

The United Arab Republic is energetically pushing plans to expand domestic pulp and paper mills; this will affect imports of certain papers, but demand for high-quality pulp will continue and perhaps expand. Machinery sales meet stiff competition.

D. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

EGYPT, the home of papyrus* from which the word "paper" is derived, is expanding its pulp and paper industry. Two of the three present paper mills are being enlarged. Two new mills will begin production this year and three more between 1963 and 1965. (Plans have been made to double the output of these new mills even before they are in operation.) All this is part of the United Arab Republic's ten-year industrialization program designed to double national income.

The modern paper industry in Egypt goes back to 1890. In that year a Greek family built a paper mill in the Moharem Bey district of Alexandria. This mill, still owned by the Lakoudakis family, produces 10,000 tons of wrapping paper a year from waste paper and straw pulp. There are at present no plans for expanding the Lakoudakis mill, despite the current drive for increased production.

The National Paper Co. near Alexandria, with a capital of E£1 million—currently the largest paper mill in Egypt—last year produced 22,500 tons of paper products—including 6,350 tons of writing and printing paper, 6,950 tons of cardboard and 9,200 tons of wrapping paper—using waste paper, rice straw and 14,000 tons of imported wood pulp as raw material. The firm plans to increase production to a rated capacity of 42,000 tons by installing a 7,000-ton-a-year grease-proof machine and an 8,000- to 10,000-ton-a-year general-purpose Fourdrinier machine.

The Middle East Paper Co., "SIMO", is the smallest producer. Established in 1952 with a capita[l] of E£250,000, it produced las[t] year 7,540 tons of wrapping pape[r] and cardboard from waste pape[r] and rice straw on two secondhan[d] French machines and one locall[y] made machine. Current plans fo[r] expanding capacity to 14,000 tons a year include scrapping the hand-made machine and purchasing two new ones. SIMO is at present experimenting with imported pulp.

New Mills Planned

In October, the newly formed Société Generale de l'Industrie du Papier, "Rakta", is scheduled to begin production of both pulp and paper at a new mill near Alexandria. Rakta is a joint state and privately owned, E£6 million, integrated pulp and paper company. It plans an output of 24,000 tons a year of printing and writing paper, plus pulp from its own pulpmaking facilities—the first of their kind in the Middle East. It will use rice straw and reeds (phragmatis communis) as raw material. To give strength to the locally made pulp, Rakta will add some 5,000 tons a year of imported pulp, some of which has already been purchased from Canada. Rakta—the product

*Papyrus is a reed-like plant indigenous to the Nile Valley, the stems of which afforded the most ancient material for writing—a type of scroll which bears no more relation to modern paper than does birch-bark.

ed Egyptian enterprise, West German machinery and Canadian consulting engineering—will go some distance toward satisfying Egyptian paper requirements. But as in other countries, demand is growing and even now, before Rakta's present two production lines are completed, two more lines are being planned. These are a 15,000-ton-a-year board mill, for which tenders have been called, and a third paper line with a daily production of 60 tons, using chiefly bagasse pulp to come from a new mill in Upper Egypt. This line is expected to be in production by the end of 1964. The board mill is to turn out corrugating medium, duplex, triplex, bristol, manila and white board from waste paper, mechano-chemical straw pulp, pulp and paper mill rejects, and imported wood pulp.

Other plans for the expansion of Egypt's pulp and paper production include:

• *A kraft paper factory* at Suez to begin production this year of 15,000 tons, rising to 20,000 tons a year. The factory will use imported pulp initially and locally produced pulp eventually. The paper will go into multiwall bags for cement, fertilizer, sugar, etc.

• *A pulp-from-bagasse mill* at Edfu in Upper Egypt. Financed by the U.S. Development Loan Fund, it will start operations in September 1963 and will produce 18,000 tons a year (this will be doubled shortly afterwards) of unbleached bagasse pulp for the Suez factory and for other paper mills, including Rakta. Canadian consultants drew up the specifications for the Edfu mill.

• *A cigarette paper mill* of 1,500-ton-a-year capacity, using flax tow as raw material. The start-up is tentatively planned for 1965; specifications are by Canadian consultants.

• *A rag pulp mill* to produce 3,000 tons a year of pulp for fine paper by 1964. Canadian consultants are preparing the specifications and the mill will be part of, and operated by, Rakta.

• *A study by Canadian consultants* of the feasibility of establishing a paper industry in the Syrian Region of the United Arab Republic, based on wood pulp supplied from local forests. Present indications are that Syrian forests are capable of providing 25 per cent of the poplar groundwood that would be needed for a 300,000-ton-a-year newsprint mill, but much evaluation and study remains to be done.

• *Some five hardboard mills,* using cotton stocks, flax shives, bagasse and rice straw as raw material.

Machinery Sales

Although Canada has established an enviable reputation for consulting engineering services, with few exceptions all the machinery and equipment for the pulp and paper industry already installed or on order is of German manufacture. The two main exceptions are the machines of SIMO mentioned above, and the mill machinery for the Edfu bagasse pulp mill that a United States manufacturer will supply. Clearly, there are opportunities for Canadian pulp and paper machinery manufacturers in Egypt's future plans but clearly competition from established suppliers is keen. Only one Canadian machinery manufacturer so far has made a serious effort to secure a contract and the bid proved highly competitive.

Egypt's Imports

Egypt in 1960 consumed 127,305 tons of paper and cardboard. Sixty per cent of this was imported; Communist countries supplied about two-thirds and Scandinavia approximately one-third. Only a small portion of Egypt's requirements comes from North America. The bulk of all imports are classified as "newsprint and magazine" paper (34,620 tons in 1960) of which 20,000 tons are estimated to be newsprint. Other major imports are wrapping paper, other printing and writing papers, cardboard and cigarette paper. It can be expected that imports (except of newsprint) will decline as local production increases, but there will continue to be a market for pulp and pulpwood if the plan to build a newsprint mill matures. At present, 60 per cent of all pulp requirements are supplied locally by processing waste paper, rice straw, reeds, etc.; the remainder—30,000 tons in 1960—is imported. Communist countries and Scandinavia split most of this market evenly between them; North America supplies only 5 to 15 per cent of it.

Local production of pulp will increase when Rakta, Edfu and the other mills start up. But demand will continue for high-quality imported pulp for blending with and strengthening the local product and for meeting a rising demand for paper products. Greatest need is for kraft and sulphite bleached and unbleached pulp, and possibly in the future, groundwood pulp for newsprint. (Canada annually supplies 1,000 tons of viscose pulp for the rayon industry, or about 10 to 15 per cent of requirements.)

Outlook

The large proportion of the local market held by Communist countries is the result of the easy payment terms they offer, not better quality, price or service. Egypt has trade and payments agreements with these countries that enable her to pay for imports in local currency rather than in scarce foreign exchange. (The Communists use the local currency mainly to buy cotton.) Market conditions are such that more attention is paid to price and terms of payment than to quality when offers from various sources are being considered. In the past, Canadian offers have been only moderately successful because prices, including freight, are too high and our payment terms—dollars without credit—are not attractive to the Egyptians even though quality is high. However, if the Egyptian foreign exchange position improves, opportunities for Canadian sales may improve also. •

Administrative Problems of Growth

Canadian Manufacturers' Association. 23 pages. $1.00 (1-10 copies), 75 cents (11-25), 50 cents (25 or over).

THIS booklet contains eight articles especially written for *Industrial Canada* by faculty members of the School of Business of the University of Toronto. The articles deal with the various administrative problems encountered by the management of any growing and expanding corporation. The basic theories behind such facets of corporate life as production control, labour relations, financing, product distribution, and sales forecasts are expertly explained. A thorough understanding of these problems of corporate administration is essential to business success and in these articles, business executives will find a concise and well written treatment.

Order from: The Canadian Manufacturers' Association, 67 Yonge Street, Toronto 1, Ontario.

Phillips' Paper Trade Directory of the World—1961

S. C. Phillips & Co., Ltd. 750 pages. £2.3.6.

BUYING, selling, studying, or just using—whatever your connection with paper may be, the 1961 edition of this well-known directory provides a wealth of useful information. Its contents include listings of paper companies throughout the world by country and by product, a glossary of trade terms, a mill product list, and a suppliers' index.

Order from: S. C. Phillips & Co., Ltd., Alliance House, 50-51 Fetter Lane, London, E.C.4.

The Austrian Market

Contimart AG, Zurich. 46 pages (mimeographed) $10.00.

THIS study of what was, in 1960, a $12½ million dollar market for Canadians will prove most useful to firms exporting consumer goods, particularly food products. They will find here a good deal of information on disposable income, consumer spending, merchandising practices and shopping habits. There is also a comprehensive section on advertising media and methods.

To the many Canadian companies which sell raw materials and semi-processed products to Austria this report will be less helpful. Only one page is devoted to Austrian industry. In general, tariffs and the remaining import restrictions are scarcely mentioned, though there is a section on taxes. Apparently the study w written in German and then translated because son of the phrases used sound odd to Canadian ears.

Order from: Crawfords Advertising Service, 154 Un versity Avenue, Toronto, Ontario.

Cyprus 1959

Colonial Office. 170 pages. $1.20.

THE new Republic of Cyprus looks forward to expan ing prosperity now that it has achieved political sta bility. This report on it follows the general patter of the Colonial Office reports and the steps in th development of the present independent governme are discussed in detail.

Cyprus is essentially an agricultural economy, wit a large portion of the land devoted to the cultivatio of citrus fruits and grain. However, Canada's majo export to Cyprus in 1959 was wheat. Mining play an important part in the economy and copper wa the country's leading export in 1959.

The businessman will naturally want to concentrat on certain chapters, such as those on public financ banking and communications, and production.

Order from: The United Kingdom Information Offic 119 Adelaide Street West, Toronto, Ontario.

Commerce and Industry in Tanganyika

The Ministry of Commerce and Industry. 104 page 50 cents.

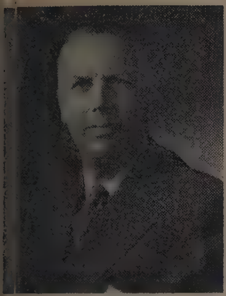
BUSINESSMEN who are thinking of exporting to Eas Africa will find new possibilities in Tanganyika. Al though its economy depends on the production an export of primary produce, the country is making determined effort to strengthen its manufacturin industry.

The handbook covers concisely the various aspect of the economy—agriculture, forestry, minerals an mining, and the secondary industries. Details of finan cial and taxation regulations useful to prospectiv exporters are provided.

Shipping, air, road and rail services and also th postal and telecommunication systems are covered i full. There is information on currency, export con trols, patents, licensing agreements, trade-marks an weights and measures.

Order from: Crown Agent's Representative, 3100 Mas sachusetts Ave. N.W., Washington 8, D.C.

TRADE COMMISSIONERS ON TOUR



L. H. Ausman

L. A. Campeau

L. S. Glass

T. F. Harris

Canada

H. AUSMAN, Commercial Counsellor in Brussels, Belgium:

ncouver—Sept. 25-29 Toronto—Oct. 2-13

When he completes his tour, Mr. Ausman will return to ussels.

A. CAMPEAU, Commercial Counsellor in Karachi, kistan:

Vancouver, Victoria—Sept. 25-29

When he completes his tour, Mr. Campeau will transfer Beirut, Lebanon, as Commercial Counsellor.

S. GLASS, Trade Commissioner in Salisbury, Federation of odesia and Nyasaland:

ncouver—Sept. 26-29
nnipeg—Oct. 2-3
ronto—Oct. 6-13
milton—Oct. 16
Kitchener—Oct. 17
Montreal—Oct. 19-24
Granby—Oct. 25

When he completes his tour and home leave, Mr. Glass ll return to Salisbury.

F. HARRIS, Consul and Trade Commissioner in New leans:

ronto—Sept. 25-Oct. 3
ebec—Oct. 4-5
Montreal—Oct. 6-13

When he completes his tour and home leave, Mr. Harris ll return to New Orleans.

V. MACDONALD, Commercial Secretary in Colombo, ylon, is returning to Canada via the Pacific and will be on ty September 26-28 in the office of the Western Representa-e, Trade Commissioner Service, 325 Granville Street, ncouver. After leave and a short period of duty in Ottawa, r. Macdonald will go to Detroit as Consul and Trade mmissioner.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Addis Ababa, Ethiopia, from October 15-21.

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Ecuador from October 10-14.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Port Louis in Mauritius from Sept. 25-29.

G. F. G. HUGHES, Commercial Counsellor in Stockholm, Sweden, plans to visit Gothenburg, September 25-27, and Helsinki, Finland, from October 9-11.

K. NYENHUIS, Commercial Counsellor in Copenhagen, Denmarket, will visit Warsaw, Lodz, and Katowice in Poland during the second half of October.

E. J. WARD, Assistant Trade Commissioner (Timber), Glasgow, will visit Belfast, Northern Ireland, from October 16-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Bailey at Bogotá, Mr. Gallow at Johannesburg, Mr. Hughes at Stockholm, Mr. Nyenhuis at Copenhagen, and Mr. Ward at Glasgow.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .9699909.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 11	Units per Canadian dollar	Notes (See below
Argentina	Peso		.01245	80.32	
Austria	Schilling		.03995	25.03	
Australia	Pound		2.3190	.4312	
Bahamas	Pound		2.8988	.3450	
Belgium and Luxembourg	Franc		.02071	48.28	
Bermuda	Pound		2.8988	.3450	
Bolivia	Boliviano	Free	.00008791	11,375.27	
British Guiana	Dollar		.6039	1.65	
British Honduras	Dollar		.7294	1.37	
Brazil	Cruzeiro	Free	.003598	277.93	
		Special Category	†	†	
Burma	Kyat		.2165	4.62	
Ceylon	Rupee		.2174	4.60	
Chile	Escudo		.9800	1.02	
Colombia	Peso	Certificate	.1539	6.50	
Congo, Republic of	Franc		.02071	48.28	
Costa Rica	Colon		.1556	6.43	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1432	6.98	
Denmark	Krone		.1497	6.68	
Dominican Republic	Peso		1.03094	.9700	
Ecuador	Sucre	Official	.05727	17.46	
		Free	.04845	20.64	
Egyptian Region, United Arab Rep.	Pound	Official	2.9604	.3378	
El Salvador	Colon		.4124	2.42	
Fiji	Pound		2.6115	.3829	
Finland	Markka		.003222	310.37	
France, Monaco, etc.	New Franc		.2096	4.77	(
Franco-African Republics, etc.	Franc		.004192	238.55	(
French Pacific	Franc		.01153	86.73	(
Germany	D Mark		.2580	3.87	
Ghana	Pound		2.8988	.3450	
Greece	Drachma		.03436	29.10	
Guatemala	Quetzal		1.03094	.9700	
Haiti	Gourde		.2062	4.85	
Honduras	Lempira		.5155	1.94	
Hong Kong	Dollar	Free*	.1798	5.56	*Sept.
		Official	.1812	5.52	
Iceland	Krona	Official	.02398	41.70	(
India	Rupee		.2174	4.60	
Indonesia	Rupiah	Official	.02291	43.65	(
Iran	Rial		.01361	73.48	
Iraq	Dinar		2.8866	.3464	
Ireland	Pound		2.8988	.3450	
Israel	Pound		.5727	1.75	
Italy	Lira		.001661	602.05	
Japan	Yen		.002864	349.16	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 11	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3239	3.09	
Mexico	Peso		.08248	12.12	
Morocco	Dirham		.2062	4.85	
Netherlands	Florin		.2853	3.50	
Netherlands Antilles	Florin		.5467	1.83	
New Zealand	Pound		2.8988	.3450	
Nicaragua	Cordoba	Effective buying	.1562	6.40	
		Official selling	.1462	6.84	
Nigeria	Pound		2.8988	.3450	
Norway	Krone		.1448	6.91	
Pakistan	Rupee		.2174	4.60	
Panama	Balboa		1.03094	.9700	
Paraguay	Guarani	Official	.008182	122.22	
Peru	Sol		.03843	26.02	
Philippines	Peso	Free	.3436	2.91	
		Official	.5155	1.94	
Portugal & Colonies	Escudo		.03598	27.79	(5)
Republic of South Africa	Rand		1.4494	.6899	
Singapore and Malaya	Straits Dollar		.3382	2.96	
Spain and Dependencies	Peseta		.01718	58.20	
Sweden	Krona		.1989	5.03	
Switzerland	Franc		.2389	4.18	
Syrian Region, United Arab Rep.	Pound	Free	.2882	3.47	
Thailand	Baht	Free	.04876	20.51	(4)
Tunisia	Dinar		2.4949	.4008	
Turkey	Lira		.1145	8.73	(4)
United Kingdom	Pound		2.8988	.3450	
United States	Dollar		1.0309375	.9699909	
Uruguay	Peso	Free	.09402	10.64	
Venezuela	Bolivar	Official	.2260	4.42	
		Free	.3077	3.25	
West Indies Fed.	Dollar		.6039	1.65	(6)
	Pound		2.8988	.3450	(7)
Yugoslavia	Dinar	Official	.001375	727.27	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

NICARAGUA

Area: 57,145 square miles.

Population: 1,500,000.

Climate: in the higher altitudes the climate is pleasant; the coasts are tropical and humid.

Language: Spanish.

Currency: cordoba; one cordoba=U.S.$0.1418 at official rate of exchange.

Weights and measures: metric system.

Capital: Managua.

Chief ports: Corinto, on the Pacific Coast, is 87 miles by rail from Managua and is the main port; San Juan del Sur is the second ranking port on the Pacific; Bluefields is the principal port on the Atlantic.

Marketing centres: Managua (population) 183,783; Leon 46,321; Granada 30,158; Masaya 28,203.

Economy: agriculture, mining and food processing form the basis of the economy. Coffee, bananas, sugar, cacao, cotton and cattle are the main agricultural commodities; gold, copper and silver are the minerals exploited.

Total Nicaraguan imports: 1959—U.S.$66.8 million.

Chief imports: (U.S.$ million) 1959—machinery 11.4, chemical products 10.1, iron and steel 5.0, vehicles 4.8, cotton manufactures 3.9, gasoline 2.6.

Chief suppliers: (U.S.$ million) 1959—United States 34.7, West Germany 4.9, Netherlands Antilles and Surinam 4.3, Japan 3.3.

Value of imports from Canada: 1960—Can.$1,318,635; 1959—Can.$1,515,027.

Chief imports from Canada: 1960—flour of wheat $696,181, upper leather $84,297, newsprint paper $72,368, drugs and chemicals, n.o.p., $35,112.

Total Nicaraguan exports: 1959—U.S.$72.1 million.

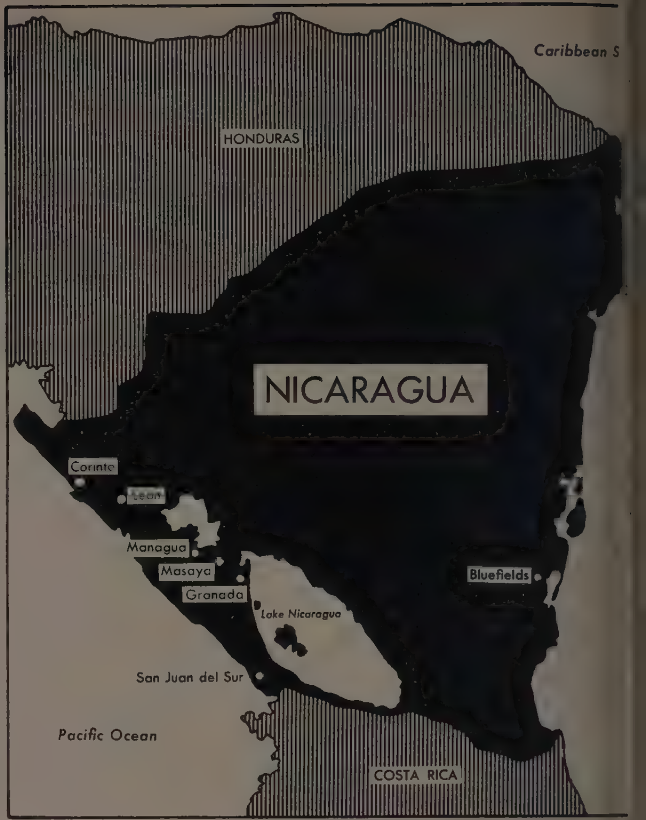
Chief exports: (U.S.$ million) 1959—cotton 29.3, coffee 13.8, gold 7.1, cottonseed 4.1, cattle 3.7, wood 3.6, sesame 2.2, sugar 2.1.

Chief markets: (U.S.$ million) 1959—United States 19.2, Japan 15.6, West Germany 10.2, Netherlands 5.2, United Kingdom 4.7.

Value of Canadian purchases: 1960—Can.$169,970; 1959—Can.$306,377.

Chief Canadian purchases: (Can.$) 1960—coffee, green, 95,450, cotton linters 32,173, garden, fieldroot seeds 28,692.

Dollar exchange: an import registration certificate from the National Bank of Nicaragua or any authorized commercial bank is required before exchange for imports or for remittances of registered foreign capital can be bought.



Prices: quote in U.S. dollars, preferably c.i.f. Corinto, S Juan del Sur, or Bluefields.

Samples: samples marked "muestras sin valor" and weighi less than 18 ounces may be sent in free by parcel po Samples carried by travellers do not require Consul Invoice but are subject to duty if value is over $ However, valuable samples may be brought in und bond.

Trade agreements: exchange of most-favoured-nation tre ment with Canada under GATT, which supplements bilateral most-favoured-nation agreement of 1946.

Import controls, documentation, customs tariffs, marking a labelling: consult the International Trade Relatio Branch, Department of Trade and Commerce, Ottawa.

Canadian banks: Bank of London and Montreal Limited.

Correspondence: airmail only; letters 10 cents per half-ounc

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala, C.A.

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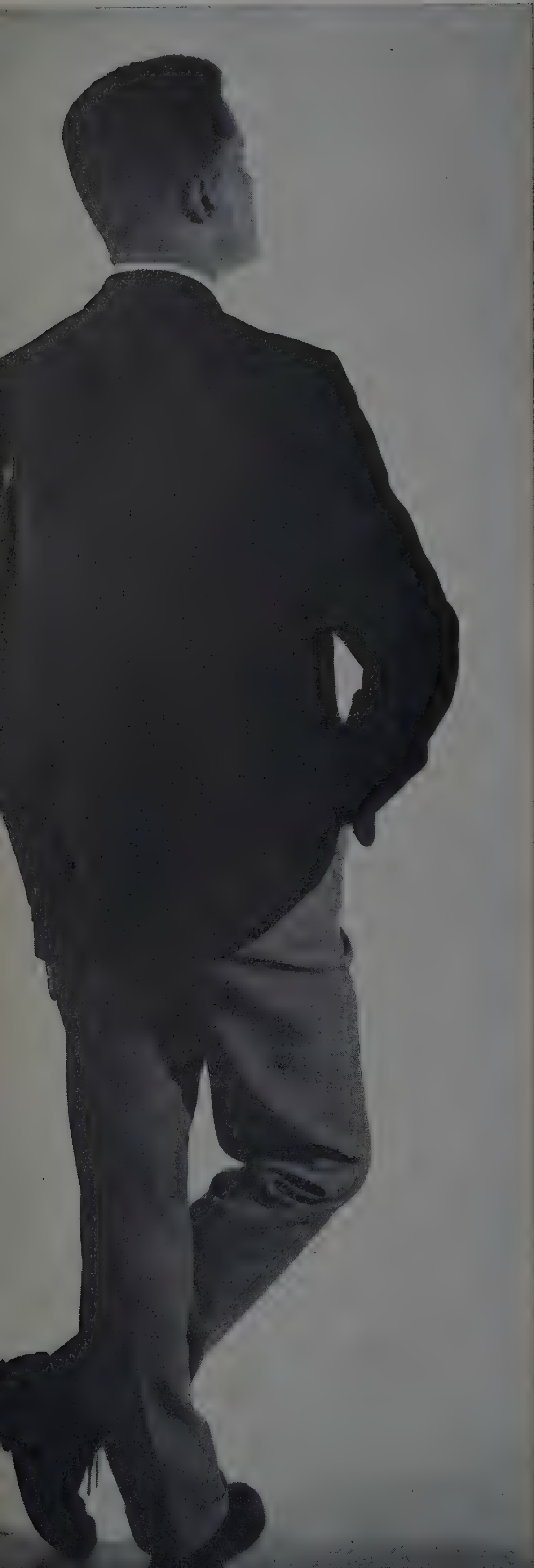

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You can obtain an application form from the Civil Service Commissio in your locality or in Ottawa, or from your university placement officer. For details, write to the Director, Trade Commissioner Service, Departm of Trade and Commerce, Ottawa.

Ghana Makes Progress (page two)

Documentation for Latin America (page 17)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

OCT. 7. 61

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OMING——DEVELOPMENT AND TRADE IN LATIN AMERICA, OCTOBER 21 ISSUE

99769-2—1

Ghana Makes Progress

A higher national income, larger crops and agricultural exp... many new industries, and a construction boom underline Gha... continuing economic growth. But exports could not match s... increase in 1960 imports and a balance-of-payments deficit resu... Measures taken to reduce imports and finance internal spen... may affect Canadian sales to some extent.

K. F. OSMOND,
Commercial Secretary, Accra.

THE high rate of growth that has characterized Ghana's economy over the past five years was more than maintained in 1960. The gross national product rose by 5 per cent to £533 million, despite a severe decline in the export price of cocoa. This increase in the national income represented a rise in real terms since the level of prices remained virtually stable.

Progress was made in most sectors of the economy. The cocoa crop, Ghana's main source of export earnings and fiscal revenue, reached a new record of about 430,000 tons in the 1960-61 season, up more than 35 per cent from the previous crop year. Production of other agricultural products also improved, and exports of kola nuts, bananas, coconuts and palm kernels rose substantially. Production and exports of logs and sawn lumber were higher too.

In the industrial field, 64 new factories were opened or had reached an advanced stage of preparation by the end of the year. Those opened include a distillery, a milk processing plant, a brewery and a vehicle assembly plant. In addition, agreements were signed for the establishment of an oil refinery, a sugar factory, a flour mill, a cement factory and a textile factory. Following the successful conclusion of the various loan agreements in connection with the Volta River hydroelectric power development project, the Governmen... Ghana has recently signed a ...tract with an Italian firm for... construction of the Volta R... Dam.

Gold, diamonds, bauxite ... manganese continued to play an ...tive part in the economic life ... the country, and in 1960 accou... for 24.1 per cent of all dom... exports.

The building and construction ...dustry has made tremendous str... in recent years. Last year its g... output reached about £58.6 ...lion, an increase of £14.8 mil... or 33.7 per cent compared with ... previous year.

—*Ghana Information Services*
Among the industrial enterprises set up in Ghana last year was a milk-processing plant. Our picture shows the sealing and packing of cartons of fresh milk at this up-to-date factory.

Balance of Payments

Ghana's balance of payments ... current account showed a deficit ... £26.56 million, compared with ... deficit of £11.26 million in 19... A sharp increase in imports of ca... tal equipment with only a mod... rise in exports was the main fac... contributing to this increase in de... cit on current account, which ... caused a large reduction in ... Government's foreign assets.

There is a danger that if coun... measures are not taken imports w... go on increasing, and indeed ... trend during the first months ... 1961 points that way. On the oth... hand, the prospects for large i... creases in the total value of expo... are not very bright. In order to he... overcome this imbalance, impo... duties on many types of goods ha... been substantially increased in t... budget for 1961-62.

Financial Policy

In line with the principle a... nounced by the President, Dr. Nkr... mah, in his opening speech to t...

budget session of Ghana's Parliament on July 4, 1961, all internal development plan expenditures and all recurrent expenditures will be financed entirely from internal sources in the future. External development expenditures on plant, machinery, materials, equipment, etc., will be met by credits and loans raised abroad and, where necessary, by making use of Ghana's external reserves. Total expenditure for the fiscal year 1961-62 is estimated at £128 million, divided into £104 million for internal expenditure and £24 million for external development plan expenditure. To meet internal expenditure and leave a little in hand, it is estimated that an extra £31 million will be required.

The Government proposes to raise this amount in the following ways:

- Increased customs and excise duties on a wide range of products.
- A new, very stiff, purchase tax on many items.
- More efficient personal income and company tax collections.
- A new tax on urban properties.
- Compulsory saving by individuals, self-employed people and companies amounting to 5 per cent on wages and salaries and 10 per cent on all other types of assessable income, including payments to cocoa farmers.

Some of the interest on the national savings bonds that the compulsory savings will purchase will be paid out by lotteries, but in general neither capital nor interest will be available for ten years. This, in effect, means a 5 to 10 per cent cut in incomes for the next ten years. Although some of the increases in import duties are aimed at reducing imports in order to strengthen the country's balance of payments, others are intended to protect local industry and to encourage domestic food production. The introduction of purchase taxes particularly is designed to cut down imports of goods considered to be in the luxury class.

A number of Canadian exports will be affected by these changes, especially wheat flour and automobiles. Flour, which was formerly admitted duty free, is now subject to an import duty of twopence per pound. A purchase tax of 66⅔ per cent has been imposed on automobiles exceeding 2,500 c.c. Other commodities of interest to Canadian exporters on which import duties have been raised include canned fruits and jams, processed vegetables, meats of all kinds, spirits, beer, and building boards.

The new purchase taxes mean that the consumer will have to pay 66⅔ per cent on the value of imported furniture, refrigerators, air-conditioning units, washing machines, vacuum cleaners, floor polishers and "similar luxury goods", and 33⅓ per cent on such items as wearing apparel (outer garments), domestic stoves, desk fans, electric irons, kettles and toasters, and automobile tires and tubes.

Foreign Trade

Ghana's imports and exports established a new record in 1960, reaching a total value of £245.6 million, compared with £226.3 million in 1959. Imports climbed by 15 per cent to £129.6 million, exports rose by just over 2 per cent to £116.0 million, resulting in a deficit in the visible trade balance of £13.6 million.

Table I shows Ghana's imports for 1959 and 1960 by commodity groups.

The most important increase in imports, a jump in value of 32 per cent, was in machinery and transport equipment, particularly non-electrical machinery and appliances, road motor vehicles, railway vehicles and agricultural machinery. The miscellaneous manufactured articles group, comprising mainly furniture, clothing, footwear, watches, clocks, optical and photographic instruments and books, rose by 25 per cent in both volume and value. Clothing and footwear accounted for much of this increase. Almost all food imports were larger, except for a few such as rice and eggs where local production contributed

—Ghana Information Services

At Ghana Aluminum Products Ltd., subsidiary of a Canadian company, corrugated aluminum roofing sheets are counted and packed. In the background are the large rolls from which these sheets are made.

99769-2—2

TABLE I

GHANA'S IMPORTS

	1959	1960
	(£ million)	
Food	19.1	21.0
Beverages and tobacco	4.3	3.8
Crude materials, inedible, except fuel	0.4	0.3
Mineral fuels	6.3	6.8
Animal and vegetable oils and fats	0.1	0.2
Chemicals	9.0	9.5
Manufactured goods classified by material		
Textiles	17.9	19.7
Others	18.5	20.2
Machinery and transport equipment	25.6	33.7
Miscellaneous manufactured articles	10.1	12.6
Miscellaneous commodities, n.e.s.	1.6	1.8
Total	**113.0**	**129.6**

TABLE II

DIRECTION OF GHANA'S TRADE, 1959-60

	1959				1960		
	Import		Export		Import		Expo
	G£'000	%	G£'000	%	G£'000	%	G£'000
Sterling area	52,416	46.4	39,435	34.8	54,032	41.7	41,809
of which							
United Kingdom*	45,288	40.1	34,889	30.8	47,555	36.7	36,275
African countries*	3,622	3.2	1,878	1.7	2,120	1.6	2,315
European Economic Community	25,212	22.3	42,887	37.8	33,127	25.6	40,739
Dollar area	10,040	8.8	22,392	19.8	10,745	8.3	18,437
U.S.S.R., Communist China, other countries of Eastern Europe	3,651	3.3	2,230	1.9	5,362	4.1	8,049
African countries, excluding those in sterling area	4,462	4.0	454	0.4	6,761	5.2	1,757
Japan	8,584	7.6	605	0.5	10,837	8.3	895
Others	7,049	6.2	5,350	4.8	6,966	5.4	4,292
Parcel post	1,608	1.4	5	0.0	1,787	1.4	5
Total	**113,022**	**100.0**	**113,358**	**100.0**	**129,617**	**100.0**	**115,983 1**

*Not included in total.

TABLE III

PRINCIPAL CANADIAN EXPORTS TO GHANA

	1959	1960
	(Canadian dollars)	
Wheat flour	3,536,853	3,136,734
Automobiles and parts	159,365	371,475
Aluminum in primary forms		166,539
Bookkeeping and calculating machines and parts	17,944	60,448
Calcium compounds	24,178	43,647
Marine engines and parts	2,594	24,192
Malt		16,006

a fairly large volume. Although textile purchases from abroad continued to grow, higher average prices and increased duties reduced the rise in 1960 by 6 per cent as compared with 20 per cent in 1959. Imports of other manufactured goods such as building materials, metals, rubber, paper, and leather manufactures showed little change in volume from the previous year and the greater value was almost entirely due to higher prices. Imports of cement, however, increased sharply. Bigger imports of medicinal and pharmaceutical products were largely responsible for the increase in the chemical group.

Ghana's exports continued to be dominated by cocoa beans, followed by timber (logs and sawn), gold, diamonds (mostly industrial), manganese, and sundry agricultural products.

Direction of Trade

There was a significant change in the direction of Ghana's trade with other countries in 1960. The sterling area and the European Economic Community were still the principal trading partners but trade with Communist China, the U.S.S.R., and other countries of Eastern Europe, as well as African countries outside the sterling area, rose sharply. The dollar area's share fell in both imports and exports; the drop in exports was much larger, however, because the United States bought less cocoa. Table II shows the direction of trade for 1959 and 1960 in more detail.

Trade with Canada

Canada's exports to Ghana in 1960 were valued at $3.88 million, compared with $3.78 million in 1959. Sales of wheat flour, our main export to this market, fell off by about 11 per cent. However, this was more than offset by bigger purchases of automobiles, aluminum in primary forms, bookkeeping and calculating machines, marine engines and calcium compounds. though the composition of principal exports to Ghana shown little change from year year, our sales in general are coming more diversified. They r include such new items as aircr ladies' clothing of cotton and s thetics, plastic basic shape for prepared animal food, can meats, ale and beer, power-opera saws, whole milk powder and mal syrup. Table III gives the value Canada's principal exports to Gh in 1959 and 1960, according DBS figures.

Ghana's exports to Canada 1960 totalled $3.1 million compa with $4.1 in 1959. Although C ada took more cocoa beans in 19 imports of manganese ore dropp in value to $811,363 from $2,27 401. Our imports of mahogany a teak also fell off somewhat.

Trade Prospects

The taxation increases and oth fiscal measures introduced by t recent budget will undoubtedly ha the effect of reducing the purchasi power of the majority of people this country. The full impact has r been felt yet since there are st considerable stocks of prebud

goods on hand. It is therefore difficult at this stage to forecast to what extent trade will be affected. It is generally believed in business circles, however, that there will be some slackening in demand for certain consumer goods, particularly the more expensive ones.

Now that the contract for the Volta River Dam Project has been concluded there may well be new opportunities for Canadian manufacturers to participate in this as well as other development projects. The forthcoming Canadian Trade Fair to be held in Accra in February 1962 should also stimulate Canadian trade with this country. ●

India Imports Non-Ferrous Metals

This study of India's projected needs for non-ferrous metals under the Third Five Year Plan also discusses Canada's chances of increasing her shipments over the next few years.

GERALD A. NEWMAN, *Commercial Counsellor, New Delhi.*

ONE of the results of the forced industrial expansion under the Five Year Plans is a sharp rise in the demand for raw materials, such as non-ferrous metals. This demand for aluminum, copper, lead and zinc is increasing and despite India's critical foreign exchange position, the demand must be met. Here are details on local supplies and imports.

● *Aluminum*—India produced in 1960 some 18,000 tons of aluminum and imported 22,000. Estimates put demand by the end of the Third Five Year Plan (1965-66) at 100,000 tons. The Government feels reasonably certain that by 1964, 87,000 tons a year will be produced from local sources and hopes that, with the licensing of further capacity, demand will be fully met. The uncertain factor is the supply of electric power. Power shortages are already plaguing general industrial production in India and there is no assurance that any increases in power will meet the many new demands, let alone provide the large amounts needed for aluminum production. Yet, of all the non-ferrous metals, India is closest to self-sufficiency in aluminum.

● *Copper*—Production in India in 1960 reached 8,700 tons of fire-refined copper; imports totalled 55,000 tons. The yearly demand by 1965-66 is expected to approximate 150,000 tons, of which 50 to 60 per cent would be for electrolytic copper. If local deposits now being proved can be successfully developed, indigenous production by 1965-66 will probably exceed 18,000 tons, plus a further 8,000 tons based on imports of blister copper. Production of electrolytic copper from scrap totals about 10,000 tons a year and the installed capacity for secondary manufacture is about 45,000.

No matter how the picture is examined, however, the prospects are for continued copper imports on an increasing scale during the course of the Third Five Year Plan.

● *Lead*—Present production of lead totals about 4,000 tons, with imports in 1960 at about 22,000. Demand in 1965-66 is expected to reach 55,000 to 60,000 tons, of which perhaps 10,000 will be supplied from indigenous sources and 12,000 from imported concentrates. This points to possible lead imports of about 48,000 tons a year.

● *Zinc*—From the Canadian point of view, zinc may prove interesting. Present production in India is nil; imports in 1960 amounted to 61,000 tons. The rapid expansion in India's steel production puts the estimated zinc requirements for 1965-66 at some 160,000 tons. By then, yearly production from local ores is expected to total about 18,000 tons and from imported concentrates 12,000. This still leaves 130,000 tons a year to be imported—much the highest tonnage of the four metals under discussion.

Non-ferrous metals have constituted Canada's major export to India in recent years. Two of the most important, aluminum and copper, have been supplied under the Colombo Plan as well as commercially. Zinc has been shipped to India on a commercial basis only. Since the beginning of India's First Five Year Plan in 1951, shipments of these metals have increased:

	1951	1955	1960
		(tons)	
Aluminum, in primary and semifabricated forms	2,928	3,796	17,838
Copper, in ingots, bars, billets, etc.	3,649	1,724	10,908
Zinc spelter	1,949	3,260	13,362
Lead			16,224

Because of India's critical foreign exchange position, the Government has arranged to have part of the Third Five Year Plan requirements imported under the United States Development Loan Fund program, which requires that all imports paid for with DLF money originate in the United States. ●

99769-2—2½

(Left) This container used by a shipping company on the Lakes measures 90 by 54 by 54 inches, has steel mesh sides ... when empty, collapses so that it can be compactly stowed away. (Right) Designed in Canada, this type can be movec... hydraulic power from a truck tractor to a railway flatcar; no special lift equipment is needed. Canadian National is usin...

Containerization Benefits Shipper

A technique that lowers handling, packing and insurance costs, ... protects against damage and pilferage, is an obvious boon to any... engaged in shipping goods. It will be most effective when int... national standards are set for types and sizes of containers.

Transportation and Trade Services Division.

"Without a doubt, containerization should be investigated by all traffic men, particularly those whose goods are subject to inordinately high loss and damage, pilferage, et cetera, or expensive outer packaging. With few exceptions, others will find that optimum use of the common unit-load principle (for example, palletization) will produce the best results."
—Chairman, Materials Handling Committee, Canadian Industrial Traffic League.

CONTAINERIZATION is a technique that uses specially designed containers to "unitize" a number of individual packages for shipping purposes, and offers a solution to the materials handling problem. Shippers and carriers generally consider it important that the container be designed so that it can be transported by truck, railway, ship or aircraft interchangeably.

The concept of shipping cargo in containers is not new. In the 1920's, North American railways actually were using containers for less-than-carload shipments. However, the significant development in this shipping method did not take place until after the Second World War when the rising costs of handling materials in transit compelled carriers and shippers to explore unconventional techniques. Containers in a range of designs and sizes and constructed of a variety of materials made their appearance, and resea... was directed towards finding spe... types of containers to fit the ne... of particular trades.

Some Types of Containers

Van containers are exercisin... wide influence on the movement ... commercial goods today, and se... to offer the most promise for fut... development. These containers ... designed for general cargo ... range in size up to truck tra... dimensions. They may be built ... several kinds of materials, tho... there is a discernible preference ... a combination of plywood and ... minum that provides the necess... strength and, at the same time, ... tare weight.

Refrigerated containers are used to carry chilled and frozen perishables where the volume of movement is not sufficient to justify large refrigerated installations.

Collapsible tank containers are used to transport liquids; when empty the collapsed tank uses little space and permits dry cargo to be carried on return trips. The most common size in marine use has a capacity of about 850 gallons, within the lifting capability of the tackle and equipment generally found in ships, port installations and transport depots.

A sausage-like tank of rubber and nylon construction that can be loaded with any bulk fluid having a specific gravity less than that of water, and can be towed afloat behind a ship, was pioneered in the United Kingdom and has recently been introduced in Canada. Known as dracones, these flexible barges are made in four sizes, ranging from 7 to 200 feet in length and from 4,500 to 90,000 gallons in capacity.

The airlines have been active in exploring the use of containers. In air cargo operations, time on the ground must be cut to the minimum if the economies possible with large modern aircraft are to be realized. Containers which permit cargo to be moved into and out of aircraft rapidly are available in different sizes, and are usually designed to be accommodated in particular types of aircraft. They are made of lightweight materials such as aluminum, fiberglas, cardboard and fiberboard.

The Advantages

The benefits that can result from the use of containers include:

• *Savings in handling costs*—Expense is incurred each time goods are handled in transit. By unitizing cargo, individual package handling is limited to two operations: loading into containers at the point of origin and unloading at destination. At other points in transit, for example, when a shipment is transferred from one carrier to another, mechanical equipment moves the container as a unit and the handling of a number of individual packages is avoided. The saving realized should be reflected in lower freight costs.

• *Protection from pilferage*—Containers virtually eliminate pilferage, a serious problem in many world ports.

• *Reduced damage in transit*—Containers protect their contents from rough handling, exposure to weather, and from crushing when cargo is stacked in freight sheds and in the holds of ships.

• *Lower insurance rates*—Insurance companies, recognizing that containers provide protection from damage and pilferage, quote lower insurance rates on containerized cargo.

• *Reduced packing costs*—Goods may be shipped in containers without expensive export packaging. Shipments for export may be packed as for domestic delivery, and in some cases may be stowed without packaging of any kind.

The Problems

Developing a container system involves a substantial investment in containers and in the specialized equipment needed to handle them efficiently. This poses a question: who is to provide the capital equipment and the organization to set up a container system—the shipper, the carrier, or some other entity?

Up to now, the carriers have taken the lead—railways and truckers with their trailer-on-flatcar (piggyback) operations, a few steamship lines with full-scale container services in short sea trades, and a few other lines with containers available for a proportion of the cargo transported in general trades. Support is growing, however, for the establishment of an independent organization, preferably with international affiliations, which would own and lease containers to either shippers or carriers.

Because many of the existing systems have developed independently, there are various sizes and shapes of general cargo containers. This makes interchange among carriers in world trades difficult. It is recognized that a measure of standardization is needed and efforts are being made to achieve it. The American Standards Association has, after detailed study, set the following standard sizes for van containers in the United States: 8 feet in height, 8 feet in width, and 10, 20, 30, or 40 feet in length. These standards will be proposed for international acceptance at a meeting of the International Standards Organization to be held in Geneva this year.

An important consideration is how container shipments are to fare under customs procedures. If, for example, the contents have to be removed for inspection before arrival at their destination, the advantage of a container movement may be lost. This plain fact has been appreciated by many trading countries and customs procedures have been adapted to facilitate container movements. In Canada provision is made for containers to be moved inland from ocean terminals. From the sufferance warehouse at their destination, the containers may be removed to the premises of an importer within the customs port area where the contents can be unloaded, or to the premises of a shipper where the container can be loaded with goods for export.

CONFERENCE
ON
CONTAINERIZATION

November 9, 1961
Royal York Hotel
Toronto

For details, write to
National Harbours Board
Ottawa

CANADIAN EXPORT AND IMPORT TRADE WITH SELECTED COUNTRIES—1960

(in millions of dollars)

Country (1)	Total Exports (2)	Containerable Exports (3)	Total Imports (4)	Containerable Imports (5)	Ratio of (3) to (5) (6)
Belgium/Luxembourg	69.1	6.1	41.4	19.8	1: 3.2
France	72.9	4.6	50.1	32.1	1: 7.0
Italy	66.1	6.5	42.8	36.6	1: 5.6
Japan	178.0	6.9	110.3	85.0	1:12.3
The Netherlands	62.5	5.8	31.4	21.6	1: 3.7
Norway	70.0	1.2	4.2	3.2	1: 2.7
Sweden	20.9	5.7	20.4	12.5	1: 2.2
Switzerland	26.4	4.5	24.3	22.2	1: 5.0
United Kingdom	915.2	63.7	588.9	361.3	1: 5.7
West Germany	165.6	17.8	127.0	66.3	1: 3.7

Containers in Canada

Container operations in Canada have been confined principally to domestic trade. The railways and trucking companies have expanded their trailer-on-flatcar (TOFC) operations from a few inter-city runs to coast-to-coast movements. More recently, this type of operation has been refined through the use of van containers with removable wheels. A Canadian firm has designed a container which can be transferred by hydraulic power from a truck tractor to a railway flatcar, eliminating the need for special lift equipment. It can be removed from the tractor and left standing on four legs that drop into position.

The possibility of using dracones to supply bulk fluids in the Canadian North where wharves are non-existent is being studied.

An Ontario firm which rents containers for domestic shipments calls its operation a "midget piggyback service." This firm specializes in providing shippers of less-than-truckload shipments with a one-way container service between specified points in Ontario and Quebec.

A Great Lakes shipping company that offers a package freight service uses a container measuring 90 by 54 by 54 inches. It has steel mesh sides and collapses for compact stowage when not in use.

In 1958, the Canadian National Railways established a complete container system from North Sydney, Nova Scotia, to Port aux Basques, Newfoundland, using the ferry *William Carson*. The vessel carries approximately 120 containers, each with a capacity of 265 cubic feet, on its trip across Cabot Strait. Recently, this service was extended to include containers originating at Moncton as well as those destined for St. John's. The company has experimented with small collapsible containers for domestic movements, which it rents to shippers and returns empty without charge.

Containers have attracted only limited attention in Canadian overseas trade, although their use on an experimental basis has shown promising results. No specially constructed container ships are being used to carry Canadian exports, but it is possible to stow 30 to 40 twenty-foot van-type containers in modern cargo liners regularly engaged in transatlantic service. Nevertheless, only a negligible proportion of Canadian exports is being shipped in containers. In contrast, container service from the United States has made notable advances. There are at least 57 ocean carriers offering container cargo service from the United States on world trade routes.

The absence of a balanced two-way flow of cargo adaptable to container shipment between Canada and overseas countries is possibly a reason for the apparent hesitation of carriers to develop container operations more quickly. Although it is true that a large part of Canada's exports is bulk cargo, there has been a significant increase [in] the export of manufactured goo[ds]. The accompanying table compa[res] the value of Canadian exports [and] imports which might lend the[m]selves to containerization. From [an] examination of the table it may [be] concluded that, although the va[lue] of imports which might be shipp[ed] into Canada in containers is fr[om] two to twelve times as great as [the] value of containerable exports, [the] export volume appears sufficie[ntly] promising to warrant the introd[uc]tion of a container operation [to] most of the countries listed.

Transportation interests recogn[ize] the urgent need for a solution [to] the problem of high and increas[ing] cargo-handling costs. Typically, [a] steamship executive has noted t[hat] in many cases nearly half the frei[ght] earned on general cargo is spent [in] handling the cargo in and out of [the] ship, leaving far too small a prop[or]tion to meet the expenses of [the] voyage. Containerization may of[fer] the solution.

The Royal Commission on Tra[ns]portation has commented in Volu[me] I of its Report (page 24):

"Containerization, which althou[gh] it has a long history, has rec[ently] only developed to any extent [in] North America as a refinement [of] the piggyback operation, permit[s a] more intimate degree of cargo int[er]change between rail and truck th[an] does piggyback. This technique [is] generally conceded to hold gr[eat] promise but it also involves a [lot] of expensive experimentation [to] determine the most satisfactory ty[pe] of container—a process which [is] being proceeded with very active[ly] in the United States but has so f[ar] in the different circumstances pr[e]vailing in Canada, not made ve[ry] much headway."

Coincident with a growing awar[e]ness that traditional methods [of] moving goods to markets may ha[ve] to give way to, or at least be su[p]plemented with, better and mo[re] economical techniques, an upsur[ge] of interest in containerization is e[vi]dent in Canada today. ●

Singapore's Development Plan

Spurred on by unemployment, some decline in entrepôt trade, Singapore has launched a four year, many-sided development plan. This outline of it may suggest opportunities to Canadians.

KEITH O. HILLYER, *Assistant Trade Commissioner, Singapore.*

SINGAPORE, for the first time in its history, has a Development Plan. Details of the Four Year Plan were announced earlier this year. Its objective is to make a bold and urgent attempt to solve the nagging unemployment problem in the State. With Singapore's population rising at the annual rate of 4.7 per cent, the labour force is expected to increase by 55,000 in the next four years. Adding this sum to the current estimate of 31,000 unemployed, 8,000 jobs must be created by 1964.

Singapore's development program calls for the expenditure of $90 million over the next four years. Of this, 58 per cent will go towards economic development, 40 per cent to social development and 2 per cent to public administration.

Economic Development ($169 million)

Economic Development Board—$3 million will go to this newly established Board charged with the task of attracting the private investment so necessary if the objectives of the Plan are to be achieved. In addition to making loans on favourable terms to desirable industrial projects, the Board will also participate in these projects by subscribing to their share capital, whether these projects are planned by the Board or by private enterprise. Recently it loaned $167,000 to assist in the purchase of two tankers for scrapping.

Industrial Estates—Two of these estates will be set up—at Jurong and at Kallang. The Jurong estate consists of 9,000 acres about ten miles from the commercial heart of Singapore; it has facilities for large industries, complete with deep-water berths. The Singapore Government hopes to attract to this area an iron and steel plant; a United Nations Technical Assistance team, including a Canadian steel expert, has been doing a feasibility study of this proposal. A Japanese company has already decided to set up a small steel industry, confining itself at first to making light steel products. The Kallang project calls for the draining and reclaiming of a large swampy area of over 12,000 acres to provide land for industry and housing. The two estates will require an investment of close to $28 million over the four years.

Electrical Generating Capacity—Using an investment of $26 million, generating capacity is to be stepped up. Some 25 megawatts are to be added to the present thermal power plant and a 60-megawatt steam generator built as the first stage of a new generating plant. Over the long term, this plant will have four 60-megawatt generating sets. In addition $7 million of the total $26 million will be spent in building an electrical distribution network.

Waterworks Expansion—Water is still a vital problem in Singapore, with consumption increasing steadily. By 1965, 83 million gallons a day will be needed, an increase of nearly 33 per cent over 1960. Urgent waterworks expansion will take a total of $18 million. Headworks will be built on the Johore River in the Federation of Malaya and a pipeline run down across the causeway to Singapore Island.

Transportation and Communications (over $39 million)

In spite of the emphasis that Singapore places on greater industrialization as a solution to unemployment, the planners recognize the continued importance of the island as a trade centre. For this reason, it is anxious to build up its transportation and communication facilities.

Port Improvement—Nine new deepwater berths are to be built and quays and channels along the Singapore River improved.

Airport Facilities—Runways and telecommunications at the Singapore international airport are to be improved and a new passenger terminal built. New equipment for the Pan-Malayan Meterological Service will be installed.

In addition, roads, telephone service, the drainage system and postal services will be enlarged.

Social Services (almost $117 million)

Public Health—Almost $13 million will be spent on building three new hospitals and scores of clinics; existing ones will be enlarged.

Education—Over $31 million will be spent on building 76 new schools to accommodate the growing school-age population and on extensions to the Teachers' Training College, the University of Malaya in Singapore, Nanyang University, and the Polytechnic.

Cultural Program—The cultural program of the Singapore Government will be enlarged; plans have been made to introduce two new

television channels and to build an Academy of Arts and a National Art Gallery. (The ground for the new National Theatre has already been broken; the cost of it was raised by public subscription.) The remainder of the amount earmarked for social services will be spent on housing, sewerage works, and government administrative services.

The Singapore Government expects that $39 million towards the cost of the plan will consist of surplus from revenue projected from 1961 through to 1964. Other internal sources, such as the realization of existing assets and the acquisition of funds available locally, will provide $158 million. For the remainder, the State will require external aid. Singa hopes to negotiate a loan of million from the United Kingd which has already loaned $14 lion and promised a grant of million. This leaves $33 millio come from other sources, poss the World Bank. Total loan fin ing under the plan would amo to about $167 million. ●

Advertising Abroad

In Ceylon, newspaper advertising is economical and the literacy rate high; Radio Ceylon's popular musical programs reach the local market and big audiences in India, Burma and Pakistan.

I. V. MACDONALD, *Commercial Secretary, Colombo.*

ADVERTISING in Ceylon has made remarkable progress despite the difficulties encountered in some other sectors of the economy and the low average level of consumer incomes. Its growth into an industry in which prominent international agencies are represented is primarily the result of the relatively free import of consumer goods, the strong influence of Western culture, and the importance to the buying public of symbols and brand names.

The Media

Newspapers—The literacy rate here is among the highest in the East. As a result, the local newspapers, which give a much wider coverage than their circulation figures suggest, carry the bulk of the advertising. Circulation figures are published and audited by the Audit Bureau of Circulations in Bombay since Ceylon does not have its own Audit Bureau. There are two leading newspaper groups publishing in English, Sinhalese and Tamil, and an independent Tamil newspaper. Technical facilities are good and most of the newspapers are printed on modern rotary presses. Rates are relatively low and this medium is considered the most economic by many advertisers. The highest rate per column inch for newspaper space is about $2.70, giving an exceptionally low cost per thousand. The rates for periodicals and newspapers with smaller circulations are proportionately lower and some cellent coverage is available for little as about $1.30 a column in

Other Publications—There are few monthly and fortnightly ma zines published in English Sinhalese and these carry adverti ments of recognized internatio products designed chiefly to rea the consumer. Trade journals practically non-existent and th is only one recognized annual tra directory, Ferguson's Directory, it is circulated widely.

Radio—There is no television se vice in Ceylon as yet. Radio, ho ever, is important. It covers not on the Ceylonese market but als through Radio Ceylon's Inte national Service, the markets India, Pakistan and Burma. The countries have not yet develop their own commercial radio broa casting systems. Radio Ceyl coverage of the Indian market reported to be particularly go with a large group of listeners d voted to the popular musical pr

A number of Canadian companies, including some offering engineering services, are already advertising in Ceylon, as this montage of actual advertisements taken from Ceylonese newspapers and magazines shows. Note the range of products.

rams. Broadcasts are in three nguages, English, Sinhalese and amil. Spot announcements, sponored programs and radio jingles are e recognized means of putting over les messages; commercial radio ots cost $2.70 for 50 words prerred time (evening broadcast).

utdoor Advertising—Outdoor adrtising is not very well organized et, although individual firms have rected billboards at strategic locaons. There are no facilities for rge printed posters nor any chains f billboards. Generally, appropriaons for outdoor advertising are ot large.

Neon signs are manufactured and rected by a company in Ceylon and sed chiefly in the main cities and owns, but the popularity of this ethod of advertising has been hibited somewhat by fluctuations the electric power supply. Recently the Ceylon Transport Board egan selling advertising space on uses and this medium promises grow in importance. So far it as not been widely used, apparently because a satisfactory audit f the facilities is not yet available.

inema—Filmlets 90 feet long are ommonly used in the cinemas, as re film slides. They are distributed through a local agency which has a monopoly on the business by virtue of a contract with the cinemas.

Direct Mail—The direct mail approach is used by a few big advertisers but there is no organized service and only one advertising agency is equipped to handle large-scale direct mail. Certain magazines will accept stuffers.

Point of Sale—Very little point-of-sale advertising is done because of the high cost of local production, but its use is growing.

Trade Fairs—International trade fairs are virtually unknown although there are facilities for advertising at exhibitions and carnivals, usually sponsored by charitable organizations. Cost of participation in these is generally considered high, compared with advertising rates for the usual media.

Brand Names—Because of the diverse cultural influences in Ceylon it is not possible to generalize on local tastes, customs and taboos. However, trademarks, signs and symbols easily recognized by westerners can sometimes have no meaning at all in this country. Choice of a brand name or symbol can certainly affect sales but their suitability must be assessed on an individual basis.

Agency Services

There are three well-equipped advertising agencies in Ceylon with creative staff and divisions handling media, traffic, production, radio, etc. They are paid standard agency commissions by newspapers, magazines and radio. They charge separately for artwork, proofs, type setting, blocks and matrices, etc. One of them is a wholly owned branch of a United States agency but is completely staffed with Ceylonese personnel. The other two have affiliated connections abroad.

There are no recognized organizations that carry out market research although studies have been undertaken by individual manufacturers and importers. Few importers, however, maintain budgets large enough to finance market research for specific products. Some of the agencies adapt motivation research findings from American and British sources to the Ceylon market.

Facilities for translating copy from English into Sinhalese and Tamil are adequate. Most agencies employ well-known free lance writers who have a good knowledge of local idiom for this purpose. ●

99769-2—3

Canada's Trade Fair Program in 1962

THE Department has drawn up its trade fairs abroad program for 1962 and plans to sponsor Canadian participation in thirty-one fairs. This enlarged prog will provide many new opportunities for Canadian firms to display their products in foreign markets. Of the thirty-one, fourteen are fairs in which Canad participated in past years and our exhibits are expected to meet with the success enjoyed previously. Canadian products will also go to 17 fairs previously untried; each of the new ones caters to a growing Canadian industry and a growin foreign market. Should any additions or deletions be made to this program at a later date, *Foreign Trade* will publish the changes.

Of the shows repeated, four are in the United Kingdom, seven in the United States, one in France, one in Germany, and one in South Africa. Canada will send household goods, building materials, engineering equipment, sports supplies, metals, furs and leathers to these fairs.

Of the new ones, eight are in the United States, two in Nigeria, two in the United Kingdom, and one each in Czechoslovakia, France, Italy, Germany, an Ghana. Seven of these are specialized vertical shows devoted to foods, hotel institution supplies, household goods, or building supplies. The other ten are horizontal and show a wide range of products.

Reports on these Canadian exhibits will appear in the "Fairs and Exhibitions section of *Foreign Trade* in coming issues. Businessmen interested in participating should write as soon as possible to the Trade Fairs Abroad Division, Trade Publicity Branch, Department of Trade and Commerce, Ottawa, for furt details.

London England Jan. 3-13	**International Boat Show.** For pleasure craft of all kinds and related sporting and aquatic equipment. Nearly 325,000 visitors from 111 countries attended in 1961.
Lagos Nigeria Jan. 17-28 Accra Ghana Feb. 14-24	**Canadian Trade Fairs.** Solo fairs which have been organized by the Department. Basically the same exhibition will be held in both cities, with more than 80 Canadian firms displaying manufactured goods. All space has been booked.
Chicago United States Jan. 21-25	**National Sporting Goods Association Exhibition.** Exhibitors must be NSGA members (fee $50). Show is nation-wide in scope, the market potential good, especially for winter sporting equipment and clothing; 13,000 visitors.
Minneapolis, Chicago, Milwaukee, Kansas City, United States Jan. and Feb.	**Lumberman's Association Regional Shows.** Two- and three-day shows in January and February at these four regional centres. The Department will promote the use of Canadian woods, but not individual company products.
Cologne Germany Feb. 23-26	**International Household Goods and Hardware Fair.** Attendance from buyers in 1961 was 58,700. Market offers good prospects for appliances, hardware, houseware products.
London England March 6-31	**Ideal Home Exhibition.** Largest fair its kind in the U.K. devoted to c sumer goods. Previous exhibitors v successful.
Lyon France March 25-April 2	**Lyon International Fair.** One of most important held in France. In 19 6,000 exhibitors and 900,000 visit Food, fishery products, industrial a consumer goods recommended.
Glasgow Scotland April 3-14	**Scotland's Food Exhibition.** Canada w promote foodstuffs in this market wh our sales could be increased.
Johannesburg South Africa April 10-23	**Rand Easter Show.** Leading trade fair South Africa, it emphasizes industr and consumer goods.
Frankfurt Germany April	**European Fur Fair.** Canadian exhi advertises Canadian fur industry, n private company products. Visit numbered 12,500 in 1961.
Paris France April	**Fur Industries Salon.** As in the abo private companies do not participate the Canadian exhibit; much the sa display used.
Milan Italy Spring	**Hotel Salon Display.** The Departme will set up a display of Canadian fu for local buyers.

lueberries were among Nova Scotia's exhibits at the Ideal ome Show in London in March. Canada will participate in is popular exhibition for the third time running next spring.

Chicago United States April 30-May 3	**Design Engineering Show.** Canadians very successful in this show in the past. Fair stresses new products and designs.
Manchester England May 2-14	**Grocers and Allied Trades Exhibition.** Visitors from wholesale and retail food industry. Exhibitors provide samples and sell products; 1960 attendance 94,000.
London England May 22-24	**Leather Importers, Factors and Merchants Association Exhibition.** U.K. agents of Canadian tanners provide leathers for hotel-room type specialized exhibition.
Los Angeles United States June	**Pacific Fine Foods Fair.** A wide range of consumer food products, in particular specialty foods, will find a good market here.
New York United States August	**National Fancy Food and Confection Show.** Largest show of its kind in the U.S., it had 19,000 visitors in 1960 from all sections of the $180-million-a-year market.
Brno Czechoslovakia Sept. 10-24	**Brno International Trade Fair.** A good opportunity to contact the buying organizations; attendance in 1960, 1.3 million; total business turnover at fair, $600 million.
Glasgow Scotland Oct. 3-20	**Modern Homes Exhibition.** Similar in content and second only to Ideal Home Exhibition in size; Canadian exhibit will stress home building materials, appliances.
New York United States Oct. 15-19	**I.S.A. Instrument—Automation Conference and Exhibit.** The largest show of its kind devoted to instrumentation systems and automatic controls for business, industry and defence.
Chicago United States Oct. 20-23	**National Retail Lumber Dealers Exposition.** Canadian exhibit will promote Canadian lumber and woods, but not private company products.
Lagos Nigeria Oct. 27-Nov. 18	**Nigerian International Trade Fair.** The first general international trade fair to be held in Nigeria.
New York United States Oct. 29-Nov. 2	**National Metals Congress and Exposition.** Features all types of metals and equipment used in the metals industry. Expansion of U.S. industry has created new opportunities.
Los Angeles United States October	**Western Tool Show.** Canada's participation in 1958 resulted in large sales to U.S. West Coast industry.
New York United States Nov. 12-16	**National Hotel Exposition.** Designed to reach buyers in the hotel and institutional market; 57,000 visitors in 1960.
Manchester England November	**Building Trades Exhibition.** Covers all aspects of building industry; last year was held in London.
Chicago United States December 12-16	**National Association of Homebuilders Convention.** Exhibits covering a broad range of forest products are seen by all segments of building industry.

Engineering apprentices showed great interest in the Canadian display at London's Engineering, Marine, Welding and Nuclear Energy Exhibition last April. The show is held every two years.

99769-2—3½

South Carolina:
a Market Worth Investigatin

Important producer of textiles and chemicals, this state buys about $40 million worth of goods a year from Western Europe and Japan. Canadians might obtain a larger share of the business—if they cultivate this market in the right way.

G. E. BLACKSTOCK,
Vice Consul and Assistant Trade Commissioner, New Orleans.

IS the market for Canadian products in South Carolina worth developing? There is a market in South Carolina for Canadian exports, but the exporter should know something about the state to assess the relative importance of the demand and to decide how best to serve it.

South Carolina has a population of 2.5 million—more than that of the four Atlantic Provinces. Farming, although it is declining slowly in importance, still accounts for twice the percentage of personal income in South Carolina as in the United States as a whole. As this fact suggests, per capita income in the state is low. At $1,403 in 1960, it was 48th in the country. South Carolina leads the United States in dyeing and finishing of textiles and in the yarn, thread and fabric industries. In 1960, 14 per cent of U.S. textile employment was in South Carolina and it comprised 76 per cent of the state's manufacturing employment. The chemical industry is next in importance. Pulp and papermaking is growing. A large new Bowater's pulp and paper mill going up at Catawba, South Carolina, represents an eventual $70 million investment. The state has large deposits of stone and clay used in the manufacture of ceramics, flat glass, cement, pottery, concrete and gypsum products and abrasives. Other industries include electrical machinery manufacturing and wool scouring. Mineral resources are negligible, except for a few rare minerals such as titanium, but there are abundant supplies of hydroelectric power and fresh water.

Chief Business Centres

South Carolina has three main population and business centres: Greenville, lying in the heavily populated industrialized Piedmont area in the northwest corner of the state; Columbia, the state capital, set in the centre of the state, and Charleston, the principal port. Greenville is the smallest of the three. It is about the same size as London, Ontario, or Victoria, B.C., with a population of 130,000, but is in the centre of an area where industry is concentrated and where 80 per cent of South Carolina's population lives. There are more manufacturers' agents, lumber wholesalers and dealers, and food brokers in Greenville than in either of the other two cities. Columbia is slightly larger than Charleston; both cities have populations over 160,000 and are roughly comparable in size to Windsor or Calgary. Columbia, with its central location on main trucking and rail lines wl join Florida with the north, has tain advantages as a centre fi which to cover the South Caro market.

Charleston's commercial imp tance stems mainly from the that it is a seaport. It is a leac export port for cotton waste cotton, cotton piecegoods and s thetics, lumber, pulp and pa agricultural implements, road-bu ing machinery, iron and steel, cl tobacco, grain and feeds. The m important imports are wool, lo staple cotton and cotton waste, t tile machinery, automobiles, i and steel (particularly structu and wire), rayon fibre, jute, starc such as tapioca and potato sta for both the paper and textile ind tries, fertilizers and bulk ores. I ports from Canada through the p consist of four or five charter sh ments a year of newsprint (1,5 to 2,000 tons per lot) and seaso charter shipments of seed potato chiefly from Prince Edward Isla There are no scheduled sailings or from Canada, but at least Charleston shipping firm is maki quiet efforts to promote direct wa shipments. Port activity is incre ing rapidly—from a cargo value $27 million in 1947 to $209 milli in 1959—and new facilities ha been and are being built to ke pace.

Selling in This Market

Much of what is import through Charleston finds its w inland to other states, but there a market in South Carolina its for a variety of goods, including t

What Canadians Might Sell in South Carolina

Frozen fish
Canned fish
Pork sausages

Cellulose products
Plywoods and veneers
Plywood doors
Grass seed
Starches
Softwood lumber
Seed potatoes

Iron and steel
- bars
- plates
- structurals
- tubes and pipes
- sheet
- wire strand
- wire and cable
- fencing
- nails

Aluminum metal and alloy
Aluminum plate, sheet and bar

Copper in rolls, sheets and rods
Seamless copper tube
Brass manufactures
Seamless brass tube
Hydraulic cement

Electric machinery and parts
Motors
Tractors
Drilling and boring machines and parts
Textile machinery
Fishing tackle
Toys

Sodium compounds
Ammonium nitrate
Peat moss fertilizer
Urea
Synthetic resins and gums
Red lead
Pigments, paints and varnishes

ems in the accompanying list, all which are available for export om Canada. Imports from South arolina's principal overseas supiers, Europe's Six and Seven and pan, total nearly $40 million a ar.

A substantial share of this trade ould be going to the Canadian porter. What should he be doing get it? He should make some ontacts in the market to find out his prices, quality and type of roduct make him competitive. If , he should then carefully decide n the most effective and economial way to market the product. By vesting a five-cent postage stamp e can put a letter in front of his ew Orleans Trade Commissioner, who covers South Carolina. He visits South Carolina regularly, knows something about the market and where to get more specific information. He has the names of agents, distributors, wholesalers and importers there and knows which ones to contact about any given inquiry. Most of them he has been in touch with before, and many of them he knows personally. He knows where to go for the needed references and bank reports. He can help in a variety of ways. Contacting him is a good way to start.

Appointing an agent to cover the state should be seriously considered. An agent in Charlotte, North Carolina, often covers both states. If he is in Greenville, Columbia or Charleston, he is more likely to be working South Carolina only, and perhaps Augusta, Georgia, as well. In some cases, it can make a difference which city the agent is in, usually depending on the product. Some products can and should be sold direct to customers or to wholesalers or distributors, but it is generally more difficult to get into the market this way. A personal visit to the market is always a good idea and generally saves time and money in the long run. But don't make it without doing some preparatory spadework.

You can ship to South Carolina by highway, rail or water. Each has its advantages. The matter of transportation bears careful investigation because sometimes exporters shipping to the Southern States do not use the most economical method.

First Steps

If you are now selling to North Carolina, you should be selling to South Carolina. If you are not selling to North Carolina, you should probably try to get established there first, because the market is bigger, closer and wealthier. Charlotte, North Carolina, is close to the geographic, industrial and population centre of the two-state area, has far more wholesalers, distributors, transportation terminal facilities, warehouse space, manufacturers' and other agents than any other city in the two states, and will serve as an excellent point from which to cover the whole Carolina market. If you are selling to Florida, the Carolinas are on the way. If you are selling to Atlanta, Georgia, (the biggest city between Miami and Washington) South Carolina is only 100 miles away.

What is the South Carolina market worth? Whether you concentrate on it directly as a separate marketing area or treat it as a part of a larger area served from Charlotte or as a part of the whole Southeast served from Charlotte or another centre such as Atlanta, to neglect it could cost you profits. Don't write it off. It is worth investigating. ●

Acrylic Fibre

FRANCE—Courtaulds France has begun production of Courtelle, a new acrylic fibre developed by the parent company, Courtaulds Ltd. A new factory with a capacity of over 5,000 tons a year has been built in Calais, near the factory of Les Filés de Calais, a subsidiary of Courtaulds Ltd., which produces rayon and staple fibre—Paris.

Automotive Parts

BRAZIL—Sifco do Brasil S.A. of Sao Paulo, manufacturers of forged automotive parts, have recently received a loan of $750,000 through the Inter-American Development Bank. The loan will mature in eight years and bears interest at 5.75 per cent. Present capacity of the company is 15,000 tons a year but with the new loan, this will be raised by 3,000 tons—Sao Paulo.

Cement

BRAZIL—According to the industrial association of cement producers in Brazil, production in 1961 should reach 5.5 million tons, a considerable increase over the 4.4 million tons of 1960 (16.3 per cent over 1959). In 1962, the total should be 6 million and in 1963, 6.5 million—Sao Paulo.

Engines

BRAZIL—The U.S. firm Wisconsin Motor Corporation will establish an internal combustion engine factory this year in the State of Guanabara. Initial output will average 1,000 engines a month, suitable for tractors and agricultural machinery. Capital will comprise U.S.$1 million from the United States and Cr.$10 million from Brazilian investors. The company estimates that the local market will absorb from 15,000 to 20,000 engines a year—Rio de Janeiro.

Fluorescent Tubes

GHANA—The Government of Ghana has contracted with the United Incandescent Lamp and Electrical Company Limited of Hungary to set up a complete electric lamp and fluorescent tube manufacturing factory in Ghana. Annual capacity will be three million gas-filled lamps (25-100 watt), one million auto and decoration lamps, and 100,000 fluorescent tubes—Accra.

Lumber

BRAZIL—Madeiras Compensadas da Amazonia (COMPENSA) has completed construction of a Cr.$180 million lumber mill in Manaus, capital of Amazonas. Equipment was purchased in Czech slovakia, and Czechoslovakia also supplied technicia to supervise assembly. Production of 4,000 cul metres of lumber a month is expected, worth appro mately Cr.$75 million. Once in full operation, t company intends to export up to U.S.$1 million wor of lumber a year—Rio de Janeiro.

Paper Mill

URUGUAY—The Fabrica Nacional de Papel S.A one of the largest paper mills in Uruguay, has open a new factory at Juan L. Lacaze in the Department Colonia to make paper for industry. It will use cell lose extracted from wheat straw, blended with wo cellulose. This process is used extensively in Italy, b the factory is the first of its kind in Uruguay—Mo tevideo.

Plastic Flowers

HONG KONG—Plastic flower and toy factories Hong Kong are reaching normal production again aft a slow-down over the past 12 months because copyright claims in the United States and Commo wealth Preference problems with the U.K. Demand f skilled and unskilled plastic workers is increasing ar many factories have started training programs to me it—Hong Kong.

Pulp

SWEDEN—Pulp producing capacity in Sweden at th end of 1960 totalled 5.6 million tons and will probab rise to 7.1 million by the end of 1964. The 1960 figu includes 4.2 million tons of chemical, 70,000 of sem chemical and 1.38 million tons of mechanical pul Expansion in the next four years (mainly of bleache qualities) will raise the output of chemical pulp to 5. million tons, semi-chemical to 100,000, and mechanic to 1.5 million—Stockholm.

Rice

ITALY—From September 16, 1960, to March 1 1961, 166,500 metric tons of rice (basis paddy rice were exported from Italy, compared with 81,800 fo the same period in the previous crop year. Of this 82,600 tons went to Asia, 70,500 tons to other coun tries in Europe, 9,800 tons to Africa, and 3,600 ton to America—Rome.

SPAIN—Rice is of great economic importance t Spain and its production has expanded rapidly i recent years. From 252,000 tons (1.7 tons per acre in 1950, the crop rose to 375,000 tons (2.3 tons pe

age) in 1958, and this year is expected to reach an alltime record of 450,000 tons.

The Spanish rice surplus usually totals about 200,000 to 230,000 tons and disposing of it presents quite a problem. Most of it has been sold in individual lots under bilateral or barter agreements with various countries, including Japan (1953—49,800 tons, 1959—9,000 tons, 1961—30,000 tons already sold), Indonesia (1957—20,630 tons, and recently a sale of 2,000 tons), Germany (1957—17,380 tons) and Chile (1959—7,000 tons). Four thousand tons were shipped to Czechoslovakia during March. Total exports in 1958 were 97,000 tons but the figure fell to 28,000 tons in 1959, which points up the irregular and sporadic nature of these sales. The difficulty lies mainly in uncompetitive prices.

To meet the problem, the Spanish Government recently initiated a sales campaign on the home market, urging greater rice consumption because of its nutritional qualities. However, until domestic prices drop, consumption is not likely to increase—Madrid.

Shipbuilding

UNITED STATES—The largest hull to be constructed of aluminum—a 100 by 50 by 11-foot chemicals barge —is being built by the Ingalls Shipbuilding Corporation at Pascagoula, Mississippi, for Reynolds Metal Company of Richmond, Virginia. Designed to carry sensitive liquid chemicals, the barge will be used by National Marine Service under contract with Reynolds—New Orleans.

Timber

FIJI—The Colonial Development Corporation will participate with Fletcher Timber Company Ltd. of New Zealand in a logging and sawmilling venture in the Nausori Highlands of Fiji. They propose to invite the Native Land Trust Board to become partners in the firm, which will be called the Pacific Lumber Co. Ltd. Their mill will include pressure treatment and dressing plant, and will begin operations next dry season. Export of a proportion of the output is anticipated. The company's logging area covers about [illegible],000 acres estimated to contain £3.25 million worth of timber—Wellington.

Trolley Buses

URUGUAY—The Administration of Municipal Transport has approved the direct purchase from Italy, without calling for tenders, of 90 trolley buses. They will be supplied by Alfa Romeo and will consist of 50 buses similar to those now used and 40 articulated buses with a larger passenger capacity. The price of the former is said to be U.S.$25,000 each, and of the latter U.S.$44,000. Payment is to be made over a period of five years—Montevideo.

Documentation for Latin America

THE chief characteristic of Latin American documentation is the consular invoice, which is required in twelve of the nineteen countries. In Argentina the consular invoice is combined with a certificate of origin. In Chile the regulations call for a combined commercial invoice and certificate of origin; in Guatemala the main document is the certificate of origin; and in Bolivia, Brazil, Costa Rica, Mexico and El Salvador, the commercial invoice is the principal one. Chile and Costa Rica are the only Latin American countries which do not require consular legalization of the documents, although Mexico gives the exporter a choice of having the invoice notarized or legalized.

Fees for legalization of documents vary greatly and often are substantial. In some countries there is a flat fee of so much per set of documents; others charge fees on the value of the shipment as shown in the invoice—going as high as 10½ per cent ad valorem in some cases. Some fees are collected by the Consul who processes the documents. Others are paid by the importer at the port of entry. The cost of forms purchased from Consuls can be as high as $5.60 per set.

Leaflets on *Shipping Documents and Customs Regulations,* giving full details of the requirements, have been compiled by the International Trade Relations Branch for all the countries listed in the table below, *except* Ecuador, Paraguay and Uruguay. These leaflets are available free. Information can also be provided for the other countries and for Cuba.

The following table indicates the documents required for *freight* shipments to countries in Latin America and indicates briefly the main requirements to be followed in preparing the documents. (Further explanations are given in the notes following the table.)

Abbreviations: C.I.—Consular Invoice; Com.I.—Commercial Invoice; C.O.—Certificate of Origin; B.L.—Bill of Lading

Country	Documents Required	No. of Copies	Consular Fees	Cost of Forms (per set)	Notes (See end of tabl
Argentina	Combined C.I. & C.O.	4	100 pesos or 1% of c.i.f. peso value, whichever higher (a)	—	1.4.7.
	Com.I.	3	gratis	—	1.8.
	B.L.	3		—	
Bolivia	Com.I.	4	$1 or 1% of freight charges, whichever higher, plus $5 (a)	—	1.3.5.8.9.12.1
	B.L.	3	gratis	—	1.1
Brazil	Com.I.	5	$12 up to $1,000; $2 for each $500 excess (a)	—	1.8.10.12.1
	C.O. (may be combined with Com.I.)	4	gratis	—	1.3.8.1
	B.L.	4	gratis	—	1.1
Chile	Combined Com.I. & C.O.	4	2½% of f.o.b. value (b)	—	2.
	B.L.	2	$5 for each 200 tons (b)	—	
Colombia	C.I.	4	1% (b)	$4.00	1.4.6.9.10.1
	Com.I.	1	gratis	—	1.5.8.1
	B.L.	4	$5 (a)	—	1.1
Costa Rica	Com.I.	5		—	2.4.8.
	B.L.	3		—	
Dominican Republic	C.I.	5	3% (b)	$5.60	1.4.6.9.1
	Com.I.	3	gratis	—	1.8.1
	B.L.	5	$2 (b)	—	1.1
Ecuador	C.I.	6	10½% (b) plus $2 to $10 (a) plus stamps (a)	$2.00	1.4.6.9.10.12.1
	Com.I.	5	gratis	—	1.8.1
	B.L.	4	gratis	—	1.10.1
Guatemala	C.O.	3	gratis	$4.00	1.3.4.6.9.11.1
	Com.I.	5	gratis	—	1.5.8.1
	B.L.	5	gratis	—	1.5.1
Haiti	C.I.	5	up to $200—$3 plus $1.10 stamps; over $200—2% plus $1.10 (a)	$1.00	1.6.1
	Com.I.	5		—	2.
	B.L.	6	$2 plus $1.10 stamps (a)	—	1.1

Abbreviations: C.I.—Consular Invoice; Com.I.—Commercial Invoice; C.O.—Certificate of Origin; B.L.—Bill of Lading

ountry	Documents Required	No. of Copies	Consular Fees	Cost of Forms (per set)	Notes (See end of table)
onduras	C.I.	5	8% (b) if port of export is Canadian, otherwise (a)	$1.00 ($3 if purchased in U.S.)	1.4.6.12.14.
	Com.I.	5	$1 (b) if port of export is Canadian, otherwise (a)	—	1.8.12.
	B.L.	5	$2 (b) if port of export is Canadian, otherwise (a)	—	1.12.
exico	Com.I.	8		—	2.8.
	B.L.	5		—	2.
icaragua	C.I.	5	7% (b)	$4.00	1.4.6.9.10.13.
	Com.I.	3	gratis	—	1.4.8.9.13.
	B.L.	4	gratis	—	1.5.13.
anama	C.I.	5	gratis	$2.00	1.4.6.11.14.
	Com.I.	4	gratis	—	1.5.8.11.
	B.L.	4	gratis	—	1.13.
araguay	C.I.	5	5% (b)	$1.50	1.4.6.9.12.14.
	Com.I.	4	$5 (a)	—	1.3.8.12.
	B.L.	4	$5.50 (a)	—	1.12.
eru	C.I.	4	$2 to $10 (a)	$0.80	1.4.6.13.14.
	Com.I.	1	gratis	—	1.8.13.
	B.L.	7	$5.00 up to 200 tons $5.00 each additional 200 tons (a)	—	1.4.13.
l Salvador	Com.I.	8	$2.00 (b)	—	1.8.11.
	B.L.	4	$1 for each $500 (b) maximum $10	—	1.11.
	C.O. (for some goods)	3	gratis	—	1.3.4.7.11.
ruguay	C.I.	4	$10.50, plus $2.10 per 1,000 pesos. (a) or (b) if no Consul at port of export	$0.20	1.4.6.9.12.
	Com.I.	1	gratis	—	1.8.12.
	B.L.	5	$6.30 for first 15 lines—plus $5.25 for any added 15 lines (a) or (b) if no Consul at port of export	—	1.5.12.

Venezuela	C.I.	8	2% to 3½% (b)	gratis	1.4.6.12.
	Com.I.	3		—	2
	B.L.	4	gratis	—	1.5.

NOTES

a. Fee collected from exporter by Consul.

b. Fee payable by importer at port of entry.

1. Requires consular legalization or must be presented to Consul with other documents.

2. Does not require consular legalization or presentation to Consul. (For Mexico, for all shipments over $80, Com. I. must be notarized or, alternatively, legalized by Consul for which fee is $2.00. For Chile, prior deposit receipt number and date of issue must be shown on Com.I. and B.L.)

3. Requires certification by Chamber of Commerce or similar organization. (For Bolivia, Com.I. requires this only if c.i.f. value $50 or more.)

4. Must be in Spanish.

5. Certain details must be in Spanish.

For documents to which neither of these two notes apply, English or French may be used.

6. Forms obtained from Consul.

7. Forms obtained from commercial stationers (names are available from the International Trade Relations Branch).

8. Exporter's own form may be used, provided it contains all information required by the regulations.

9. The document specified is not required for freight shipments valued at less than the following amounts: Bolivia, $50; Colombia, 100 pesos; Costa Rica, $25; Dominican Republic, $100; Ecuador, $40; Guatemala, $50 (but restricted goods and goods subject to duty reductions by treaty require C.O. regardless of value); Nicaragua, $50; Paraguay, $70; Uruguay, $8.60. (For all other countries, consular documents are required for freight shipments, regardless of value.)

10. Consuls will not legalize documents unless a copy of the import permit, or analogous document, or evidence of its issuance to the importer, is produced. (There are some exceptions to this rule; exporters should assure themselves that, if a permit is required, it has been obtained before shipment is made.)

11. Documents must be legalized by Consul located in Canada.

12. Documents must be legalized by Consul at port of export (whether in Canada or the United States).

13. Documents may be legalized by either Consul in Canada or Consul at port of export.

14. Time limits within which documents must be presented to Consul for legalization: Bolivia, 5 working days after sailing; Brazil, 30 days after sailing; Ecuador, 48 hours before sailing; Guatemala, 10 days after issue of B.L.; Honduras, 24 hours before sailing; Panama, 3 working days after sailing; Paraguay, 2 working days after sailing; Peru, 24 hours before sailing; Venezuela, 6 days after sailing.

General Observations

The need for care in the preparation of shipping documents, particularly when exporting to Latin America, cannot be too strongly emphasized. The foregoing table is intended merely as a guide to the kind and number of documents required by each country and to indicate the main basic regulations. Most of the countries in this area specify in detail the data that must be included in the shipping documents and deviation from the requirements, even if unintentior may result in the importer being fined.

When completing shipping documents, export should follow explicitly any instructions they rece from their agents in the importing country.

Some countries specify the time limits within wh documents must be presented to the Consul for legali tion. These time limits are given in note 14 above a must, of course, be strictly observed. Even if no ti limit is specified in the regulations of a particu country, there should be no undue delay in prepari the documents. They should be posted promptly, airmail, so as to be in the hands of the importer least by the time of the arrival of the shipment the port of destination.

Health and pure food regulations often call for t production of documents not dealt with in the for going table. Many countries require sanitary or heal certificates, issued by agricultural or health authoriti in the country of origin, for animals, plants and the products, and processed foodstuffs. Details of the requirements are given in the leaflets referred to the beginning of this article or may be obtained fro the International Trade Relations Branch.

The procedures for shipments by parcel post ar by air cargo usually differ in some respects from tho to be followed for freight shipments as outlined abov In most countries, the requirements are not quite s strict or exacting but must nevertheless be followe precisely to avoid difficulty. The separate leaflets c shipping documents deal in detail with these methods c shipping.

The number of copies of each document given in th above table is that specified in the regulations of th country. Frequently exporters, Chambers of Commerc (when required to sign documents), or transporta tion companies will need extra copies for their ow records.

Be Sure It Goes Airmail

TRADE Commissioners in a number of posts are agai reporting that letters from Canadian businessmen ar reaching them by seamail. This usually means weeks o delay. Some of these letters were probably intended t go airmail but because the postage was insufficient they were automatically transferred to seamail. Cana dian businessmen writing to overseas markets are urge to make sure that the office staff is weighing thei letters and putting on the right amount of airmai postage.

Brazil's Nut Crop

With a good 1961 crop of these meaty nuts, Brazilian exporters are already shipping orders abroad for the Christmas trade.

BRAZIL is famous not only for its coffee but also for its Brazil nuts. During one short period of perhaps two weeks, at Christmas time, most of a whole year's harvest is consumed and the objective of the other 50 weeks is realized in the festive season.

The pleasing edible seed of the large South American tree "Bertholethia Excelsa" is harvested between January and June each year and shipped from the ports of Manaus and Itacoatiara; Manaus handles 79 per cent of the total shipments. The 1961 crop year has just finished and production figures run close to those of 1960. General shipments during 1960 from the Amazon region for the three main types of nuts are shown in the accompanying table.

For quality nuts for Christmas delivery, it is necessary to purchase from Brazilian exporters by the end of June or July. Shipments later than this result in lower quality and general deterioration of the product. The general quality guarantee given by the eleven Brazilian shippers is at least 90 per cent perfect nuts in each shipment. They are shipped either in bulk or in jute bags.

Canada imports Brazil nuts both shelled and unshelled, and both direct and from other countries.

During the first quarter of 1961, Canada imported 33,980 pounds valued at $20,533 from Brazil; 5,410 pounds valued at $15,404 from Bolivia; 9,660 pounds at 5,164 from Britain, and 14,695 pounds at $9,369 from Peru.

During the first three months of 1961, no shipments of unshelled Brazil nuts came into Canada—probably because purchases for Christmas delivery are made later in the year.

SHIPMENTS OF BRAZIL NUTS

(hundredweight)

In shell—natural		**In shell—dehydrated**		**Shelled nuts**	
United Kingdom	166,860	United States	56,215	United Kingdom	21,373
Germany	24,562	Canada	1,875	United States	7,890
United States	8,000	United Kingdom	1,750	South Brazil	726
Argentina	2,370	Argentina	1,125	Germany	292
Pará State—Brazil	1,749	Total	60,965	Total	30,281
Denmark	1,000				
Belgium	640				
Total	205,271				

Source: I. B. Sabba Ltd.

CANADIAN IMPORTS OF BRAZIL NUTS

From:	1958 lb.	1958 $	1959 lb.	1959 $	1960 lb.	1960 $
Shelled						
United Kingdom	1,400	982	6,960	5,308	34,772	28,986
Bolivia	64,722	29,328	127,974	72,422	47,058	30,904
Brazil	551,138	237,125	371,076	222,233	743,388	373,194
Peru	23,496	10,502	26,235	14,114	8,712	5,820
United States			660	328	3,684	2,055
Unshelled						
United Kingdom	270,592	57,866	100,800	29,437	112,310	29,717
Brazil	1,476,279	246,273	1,235,753	272,413	1,613,182	323,304
United States	1,240	363				

BRAZILIAN CHESTNUTS, WITH PEEL, CROP FROM JANUARY TO JUNE 1961

Types	Bulk Shipments: Natural	Bulk Shipments: Natural rubbed	Shipments in Bags: Naturally polished	Shipments in Bags: Polished with wax
	(in cents per pound)			
Extra large				
30/35 chestnuts	18	19½		
40/45 "			24	24½
Large				
35/40 chestnuts	17	18		
45/50 "			23	23½
Large soft				
40/45 chestnuts	16	17½		
50/55 "			20	20½
Medium				
40/50 chestnuts	15	16½		
50/55 "			21	21½

Prices are generally stable this year, as the accompanying table indicates. (The prices mentioned are subject to change upon the materialization of any business, in accordance with the market and exchange fluctuations.)

The prices in the table are per pound f.o.b. Manaus, and are based on the exchange rate of Cr.$260 per U.S.$1.00.

The industry is well developed, with many reliable firms taking part in the trade. For more information on Brazil nuts, the importer should contact the Commercial Section of the Canadian Embassy, Rio de Janeiro. •

MALCOLM ROWAN, *Assistant Commercial Secretary, Rio de Janeiro.*

Pulp and Paper Industry Expands

Canadian pulpwood exporters should keep an eye on the Norwegian market—it is likely that the expanding pulp and paper industry will be looking for new sources of supply next year.

E. RUDIE, *Office of the Commercial Counsellor, Oslo.*

ALTHOUGH Norway has one of the largest forested areas in the world, 20 per cent of the country or about 17.3 million acres, its only forest industry up to about a hundred years ago was sawmilling. When the first pulp factory was built in 1863, these forest resources were used as raw material for the paper industry for the first time. Within a short period after that several more pulp factories came into operation, and in 1874 the first chemical pulp mill was established. The foundation was thus laid for one of Norway's most important industries, wood refining, which today is responsible for one fifth of the country's total annual exports.

Timber consumption by the sawmilling and wood refining industries subsequently rose from 1.6 million cubic metres in 1859 to 8.2 million in 1959 and the increased consumption has made necessary the importing of raw materials. Imports stood at an average 500,000 cubic metres a year in the ten years 1951-60. Table I shows the relative consumption of timber by these two industries in selected five-year periods from 1900 to 1959, and reveals the growth of wood refining since the turn of the century.

Norwegian forestry and forest industries suffered considerably during the Second World War. A number of good areas were cut indiscriminately, others were burned, and general neglect of the forests seriously set back the industry as a whole. A gigantic reforestation program was instituted and largely succeeded in rehabilitating the forests. To illustrate the effort being made to maintain and increase the wooded areas it has only to be pointed out that ten million new conifers were planted in 1945, and that this figure rose to more than 100 million in 1960. The intention is to enlarge the program still further within the next few years to 150 million new trees each year.

Production Rises

The rise in forest products output that began in 1959 after a two-year slump continued in 1960 at an even more rapid rate. The per cent increases for the most important ones over the past two years may be seen in Table II.

TABLE I

AVERAGE TIMBER CONSUMPTION

	Saw milling	Wood refining
	(per cent)	
1900-04	70	30
1920-24	48	52
1935-39	40	60
1955-59	37	63

TABLE II

FOREST PRODUCTS PRODUCTION

	1959	1960
	(per cent)	
Mechanical wood pulp	10	11
Sulphite pulp	4	8
Sulphate pulp	17	12
Paper and board	12	11
Wallboard	8	12
Timber	—18	7

For the wood refining and wa board industries, the increa amounted to approximately 11 p cent and in all branches of t industry production was grea than in any previous year. Timb output rose for the first time four years, but the improvement w not sufficient to counterbalance t fall in output which took place aft 1956 and which was particula marked in 1959. Production mechanical and chemical wood pu and paper and board during t last three years and the first fi months of 1961 is shown in Tab III.

Forest Product Exports

Mechanical Wood Pulp—Me chanical wood pulp exports in 196 totalled 487,600 metric tons, against 407,600 tons in 1959 an 376,700 in 1958. Britain held i position as Norway's chief buye taking 74 per cent of the total, an the other traditional Europea buyers kept their relative position France purchased 11 per cent, We Germany 5 per cent, Denmark per cent, and the Netherlands 3 pe cent of total exports (see Table IV

Chemical Wood Pulp—An in creasing proportion of the chemic wood pulp output goes to No wegian paper and board mills, an exports are declining relatively. O the total exports last year, 45 pe cent went to EFTA countries an 35 per cent to the Common Marke the largest market is the Unite Kingdom. Totals for exports in th

TABLE III

PULP AND PAPER PRODUCTION

	1958	1959	1960	1961 Jan.-May
		(metric tons)		
Mechanical wood pulp	639,725	703,458	781,036	332,141
Sulphite pulp	513,672	535,239	575,127	300,197
Sulphate pulp	121,001	141,863	158,596	
Paper and board	636,473	714,143	789,032	not available

ıst few years, as well as the prin-
cipal purchasing countries, are
given in Table IV.

Paper and Board—Exports of paper and board (see Table IV) totalled 490,000 metric tons compared with 454,900 tons in 1959 and 383,900 tons in 1958; the United Kingdom took 18 per cent, West Germany 15 per cent, Denmark and the Netherlands 7 per cent each, and Belgium and Luxemburg 5 per cent. Other purchasers were France, South Africa and Australia.

Deliveries of paper and board to the local market have continued to rise, reaching a record 283,000 metric tons in 1960 compared with 257,200 in 1959 and 243,500 in 1958. Some 13,000 tons of newsprint were also imported from abroad in 1960, compared with 1,200 the year before.

Pulpwood Imports

During the 1958-59 and 1959-60 felling seasons, the conifer timber cut for industrial purposes totalled about 6.5 and 7 million cubic metres respectively, of which approximately 0.3 million cubic metres were for export. These quantities were far short of the annual average of 7.7 million for the last ten years, and to meet the demand imports of pulpwood and timber rose from 0.4 million cubic metres in 1959 to approximately one million in 1960. The use of hardwood in the wood refining industry also increased considerably, both in existing plants and in new ones built specially for hardwoods, but consumption or production figures are not yet available.

For many years Norway has been forced to import considerable quantities of pulpwood, mainly from Finland and Sweden, to supply its pulp and paper mills. Table V gives these imports (they are mainly of spruce) for the last three years and the first six months of 1961, and the principal sources of supply.

Finland has some 1.1 million cubic metres available for export

TABLE IV

FOREST PRODUCTS EXPORTS

	1958	1959	1960	1961 Jan.-April
	(metric tons)			
Mechanical Pulp				
United Kingdom and Northern Ireland	293,027	298,506	358,723	131,326
France	32,888	45,681	54,299	16,184
Netherlands	12,329	13,662	16,765	5,959
Denmark	18,561	15,049	18,068	5,401
West Germany	10,469	18,622	22,528	6,894
Belgium and Luxembourg	4,859	5,792	5,565	2,337
Total	376,700	407,600	487,600	171,249
Chemical Pulp				
United Kingdom and Northern Ireland	101,207	114,706	133,194	97,317
Belgium and Luxembourg	9,134	9,553	9,727	3,619
France	29,570	23,369	25,756	7,787
Italy	8,429	9,406	13,184	4,553
Netherlands	27,077	26,997	34,808	9,600
Spain	18,948	12,754	13,338	2,309
West Germany	24,424	24,529	23,719	7,231
United States	26,454	26,162	15,132	2,314
Brazil	11,775	13,567	11,587	4,183
Total	296,098	299,800	312,547	97,317
Paper and Board				
Newsprint		178,205	177,084	62,512
Other printing paper		80,948	85,847	29,132
Writing, duplicating and drawing paper		34,006	37,290	15,815
Other sulphate paper, pure and mechanical		33,324	34,803	12,503
Other sulphite paper, pure and mechanical		34,988	40,908	14,485
Machine-made paper board		43,776	57,046	17,950
Greaseproof		28,719	32,525	11,064
Building board		48,420	59,634	20,854

Figures for 1958 are not given as the statistics for that year were not broken down in the same manner.

	1958	1959	1960	1961 Jan.-April
Newsprint				
West Germany	22,985	33,327	39,173	17,313
United Kingdom and Northern Ireland	12,450	21,429	21,919	8,509
Brazil	20,010	22,788	20,806	6,384
Denmark	14,912	18,008	18,881	4,808
France	16,693	7,458	10,610	3,939
Belgium and Luxembourg	6,063	8,098	8,296	2,130
Argentina	13,448	11,073	6,475	1,441
Total	148,395	178,205	177,084	62,512

TABLE V

PULPWOOD IMPORTS

	1958	1959	1960	1961 Jan.-June
	(cubic metres)			
Finland	87,453	197,395	558,429	308,560
Sweden	109,124	93,508	339,109	169,606
U.S.S.R.	3,965	38,425	167,559	20,871
Canada			9,524	
Total	202,221	330,258	1,074,621	499,663

to Norway this year, so that Norwegian mills would seem to be sufficiently taken care of for the remainder of the year. Imports from Finland may continue at the present level for another year or two, but because of the growing consumption Norway will probably have to seek other sources of supply in the near future, especially since the Finnish pulp and paper industry is also expanding and increasing its demand for locally produced pulpwood and timber.

Norwegian pulpwood agents and newsprint mills showed considerable interest this year in the possibility of obtaining pulpwood from Canada. Some Canadian pulpwood exporters have therefore made quotations and paid personal v to Norway.

Although sales prospects are particularly good this year the si tion will probably change in 19 Canadian pulpwood exporters wo therefore do well to watch the p wood supply situation in Nor closely so that they can take adv tage of opportunities that occu

From the Salisbury office, a look at

The Federation of Rhodesia and Nyasalan and British East Africa

by L. S. GLASS, Commercial Counsellor, who beg a tour of major Canadian centres on September 26 Vancouver and is working his way eastward.

Rhodesia and Nyasaland

THE Federation of Rhodesia and Nyasaland is passing through an unsettled period as its political and constitutional destiny is worked out. This has had a depressing effect on business in general, felt particularly during the second half of 1960 and throughout the first seven months of 1961. During August, however, after a referendum dealing with Southern Rhodesia's future constitution, signs of recovery were noticeable; retail sales increased throughout the Federation and industrial activity was high. Excellent crops, high mineral output, and attractive export prices should do much to improve economic conditions.

In assessing the market in Rhodesia and Nyasaland, it must be remembered that the population comprises over four million Africans and only slightly over 300,000 people of European origin. At present, the Europeans form the backbone of the import market, but it is highly unlikely that their requirements of consumer goods will show much growth in the years to come. However, increasing industrial development (especially in Southern Rhodesia) should create a stronger demand for non-consumer goods. On the other hand, the African is becoming an ever more important purchaser of a widening variety of products. More Africans are being employed in business and industry, and as their efficiency improves so does their purchasing power. It is to this vast potential market that the exporter must look in the future. Today, jobs which used to be held by Europeans only are now open to and filled by Africans; in the rural districts, African farmers are adopting mode methods of farming and produci cash rather than only subsisten crops.

Provided Canadian manufacture can compete in price, desi and quality, the Federation offe a growing market for many of o products. In 1960, imports fro Canada were about one-thi greater than in 1959, totalling ju over $4 million as against $2 million. However, the 1961 figur will probably show a considerab decline in Canadian sales as a resu almost entirely of the economic se back in the Federation. For the fir three months of 1961, imports fro Canada were valued at $918,00 compared with over $1 million an $860,000 in the same periods 1960 and 1959.

A wide range of products a imported from Canada. Many a of comparatively small value, othe

of considerable importance, but the fact that they are being imported now means that even the most insignificant of them may develop into an important item in Canada's sales here in the not too distant future. At present, our leading exports to the Federation are wheat, malt, canned fish, lumber (almost all Douglas fir and western larch), newsprint and other papers, mine equipment, passenger cars, electronic equipment, plastics, toys and sporting goods.

There are no exchange restrictions in the Federation as far as imported goods are concerned, and import licences are required for only a small number of commodities. These restrictions are designed to protect certain local industries and for security purposes.

The customs tariff contains four columns: A, the highest, is the General Tariff; B the Most-Favoured-Nation; C applies to the self-governing territories of the Commonwealth, and D to the United Kingdom and Colonies. •

British East Africa

INDEPENDENCE is also approaching for the countries that make up British East Africa—Kenya, Uganda, Tanganyika, and Zanzibar—and the unsettled conditions that accompany the transition period have caused a recession in trade here too.

Conditions in these countries differ greatly from those in the Federation, particularly Southern Rhodesia. The British East African population comprises 21 million Africans and Arabs, 380,000 Asians, and 101,500 Europeans, spread over an area of 650,000 square miles. Most of the Africans are nomads and produce at a subsistence level only. The exception is the Kikuyu, living principally in Kenya, who are active and successful farmers and able to make an important contribution to the colony's economy. The Arab and Asian people live largely in the tradition of their native countries and there is little demand generally for sophisticated goods. Thus, as far as luxury goods are concerned, the market depends to a great extent on the demands of the relatively small European population and those Africans who enjoy a higher standard of living.

These countries, particularly Uganda, Tanganyika and Zanzibar, are still almost entirely pastoral and agricultural. The only industries are those which process the crops, such as cotton, tea, coffee and cocoa. However, industries are developing rapidly in Kenya and the Africans they employ will have a higher standard of living which, in turn, should improve the market for imported goods.

The mainland territories, Kenya, Uganda and Tanganyika, although individually independent, are linked through the East Africa High Commission to which each sends representatives. The Commission administers matters of common interest, such as customs, transportation and communications. Therefore, these three territories have a common customs tariff, and since it is a single column tariff all imports from whatever source are subject to the same rates of duty. This means that East African importers are literally able to shop the world (imports statistics indicate there is hardly a country in the world which does not sell to East Africa), and with certain exceptions price is the deciding factor. However, over 60 per cent of all imports come from five countries: the United Kingdom, Japan, West Germany, India and the Republic of South Africa.

Canadian sales in 1960 totalled $1,165,000, of which Kenya accounted for $936,000. Well over half of our exports to these countries are of mining and other machinery. Although at present not as important as the Rhodesias, British East Africa should not be neglected—particular attention should be paid to its future potential. •

India's State Trading Corporation

INDIVIDUALS and firms who wish to explore the possibilities of barter deals with India usually find themselves on the doorstep of The State Trading Corporation of India Limited, Express Building, 9 and 10 Mathura Road, New Delhi. The Corporation was established as a joint stock company in May 1956, with all its share capital owned by the Government of India. It is in fact a government department—its chairman, managing director and board of directors are government officials drawn from the various government departments.

One of the objectives in setting up the Corporation was to promote trade with Communist countries, which is carried on in terms of rupee balances. But its functions, according to the Memorandum of Association, are "to organize and effect exports from and imports into India of all such goods and commodities as may be determined by the Company from time to time, and to undertake the purchase, sale and transport of and general trade in such goods and commodities in India or anywhere else."

With such broad terms of reference, the State Trading Corporation can and does move into the fields of bulk purchasing, barter deals, the controlled exports of some of the country's major commodities, and trade promotion.

According to the Corporation's *Fourth Annual Report* published recently, it handled exports of iron ore, manganese ore, chrome ore, manganese dioxide, mica, tobacco, gunny bags, handicrafts, shoes, woollen fabrics, pepper, vetiver oil, Masoor Dal, raw jute, handloom goods and cotton yarn. Imports that passed through its hands consisted of copper, zinc, aluminum, lead, tin, fluorspar, ferro silicon, caustic soda, raw silk, ammonium sulphate, Chilean nitrate, muriate of potash, skimmed milk, sodium sulphate, mercury, hops, Pilsen malt, sodium bicarbonate, newsprint, rock phosphate and some lesser items.

The turnover in direct trade for the nine months ended March 1960 was about Rs.43 crores ($90 million), compared with Rs.36 crores ($76 million) during the previous twelve months.

Because of India's continuing shortage of foreign exchange it is likely that the State Trading Corporation's services in rupee payment and barter deals will continue to broaden.

—G. A. NEWMAN,
Commercial Counsellor, New Delhi.

Ceylon

HARBOUR IMPROVEMENTS—The Government will spend Rs.10.5 million to develop Galle Harbour as quickly as possible so that quay facilities will be available to the cement factory it is setting up there. The factory project is held up until berths are deepened and a 700-foot quay built—Colombo.

France

BRIDGE OVER ENGLISH CHANNEL—The Société d'Etudes du Pont sur la Manche has publicized its project for the construction of a bridge over the English Channel between Dover and Cap Blanc Nez, near Calais. The bridge would be 21 miles long and would have two rail-lines, five lanes for automobiles and two for motorcycles. The French Government is reviewing the proposal and endeavouring to assess its advantages and costs—Paris.

India

ENTERS TANKER TRADE—In August a new firm, Jayanti Shipping Company, took delivery of the 33,000-ton Norwegian-built tanker, *Berge Bergesen,* renamed *Adi Jaynti,* thus marking India's entry into the world tanker trade. In time it should lead to substantial savings for India in foreign exchange. The ship is under time charter to Shell Tankers Ltd., and this charter is expected to be extended to 1973.

Jayanti's announced plans are to build up tonnage to 400,000 during the next three years. By 1965-66, it expects to have 13 freighters and three oil tankers, the freighters reportedly designed to carry food grains from the United States to India and ore outbound from Indian ports—Bombay.

ROAD IMPROVEMENT—At the end of the Second Five Year Plan India had 160,000 trucks and 50,000 buses on its roads. There were about 144,000 miles of gravelled roads (only 2,350 miles were two-lane) and over 250,000 miles of dirt roads. The Third Five Year Plan calls for a further 25,000 miles of gravelled. The need to extend and improve the road system is urgent since the rapid industrialization program is already encountering difficulties because of inadequate rail transport—New Delhi.

Netherlands

LANDING FEES INCREASED—Schiphol Airport landing fees were increased by 25 per cent on September 15. A passenger service charge of about six guilders for intercontinental travellers, four guilders for passengers on European lines, and two guild[ers] for short trips was introduced, payable by all p[as]sengers leaving the airport. A uniform rate was int[ro]duced for intercontinental, European and dome[stic] flights, with a sliding scale for larger aircraft. Land[ing] fee for a *Viscount,* for instance, is 112 guilders, agai[nst] 640 guilders for a DC-8 jet—The Hague.

Philippines

DREDGING EQUIPMENT—The Philippines [will] receive a World Bank loan of $8.5 million to [buy] dredging equipment to improve harbours for oce[an]-going and inter-island shipping. The loan is for [a] 17-year term at 5¾ per cent. Seven private ba[nks] are participating, without the World Bank's guarant[ee], for a total of $920,000.

The equipment will consist of one hopper dred[ge], one cutter suction dredge, four small dredges a[nd] auxiliary equipment, one 40-ton floating crane, a[nd] equipment for the construction of a slipway and [a] workshop for repair of the dredging fleet.

Turning areas at Manila harbour will be dredged [to] 40 feet below low-water mark; most ports of entry w[ill] be dredged to 35 feet, and inter-island shipping po[rts] to depths varying from 15 to 25 feet—Manila.

Portugal

SHIPYARD PROPOSED—According to reports, t[he] German naval shipyards H. C. Stuelsken and Rhe[in]stahl—Industrieplanung have submitted a proposal t[o] the Portuguese Ministry of Economy for the constru[c]tion of a new naval shipyard in Lisbon. A drydock [in] the Port of Lisbon for vessels of 20,000 tons or ov[er] has become indispensable for the repair of vessels [of] the Portuguese merchant fleet. It is presumed t[he] proposal includes appreciable credit concessions, [in] accordance with statements made by the Minister [of] Economy for West Germany when he visited Portu[gal] in May.

The Port of Lisbon has at present three we[ll]-equipped naval shipyards with four drydocks and tw[o] mechanical slipways. There are three other shipyar[ds] in the country but existing drydocks cannot accomm[o]date vessels over 16,000 tons—Lisbon.

SHIP REPAIR YARD PLANNED—Authorizati[on] has been given to Navalis—Sociedade de Construcao [e] Reparacao Naval, S.A.R.L., a subsidiary of Compan[hia] Uniao Fabril, the country's most important industr[ial] organization, to submit complete plans within one ye[ar] for construction of a shipbuilding and repair yard [in] Lisbon (as set out in the Second Six Year Developme[nt]

Spain). It is understood that the Portuguese firm is collaborating with Dutch and Swedish concerns. The new yard will be well situated to obtain tanker and liner repair business. At present, all vessels over 16,000 tons have to put in at foreign shipyards if repairs are needed—Lisbon.

South Africa

IMPROVE AIRPORT—Work has begun on installation of the latest navigation and landing-aid systems at the D. F. Malan Airport, Cape Town. When these are completed, the airport will be one of the best equipped in the country. The new aids include an instrument landing system and a modern radar system. The work is part of the Department of Transport's program to modernize the national airports and provide the greatest possible measure of safety under all conditions—Cape Town.

Uruguay

MODERN VESSELS FOR LINE—The Uruguayan motorship *Northmar* has arrived here from the United States with a cargo of general merchandise and machinery for Santos, Montevideo, and Buenos Aires. This is the first of a new type of vessel being constructed for the Montemar S.A. steamship line. Capable of a speed of 15 to 16 knots, the ship can carry 8,000 tons of cargo and is intended for trade between Canada, the United States, Brazil, Uruguay, and Argentina. On its next journey north it will load Uruguayan rice for Montreal and sugar from Brazil, and return with newsprint and general cargo—Montevideo.

FOREIGN TARIFFS AND TRADE REGULATIONS

Australia

TARIFF CHANGES AND TARIFF BOARD INQUIRIES—*Refined petroleum products*—Effective August 16, the margin of 1d. per gallon between domestically-produced and imported petroleum spirit has been eliminated by reducing the import duty by ½d. per gallon and increasing the excise duty by ½d. per gallon. The margin of 1½d. per gallon between the duties on local and imported aviation kerosene is being eliminated by reducing import duties by that amount. On most other petroleum products, British preferential tariffs are being removed.

Man-made fibre piecegoods—Effective August 16, a temporary duty of 25 per cent under all columns of the tariff has been imposed on man-made fibre piecegoods having a value for duty exceeding 60d. per sq. yd. This duty is additional to the regular duty and will remain in effect until the Government has taken action on a final report of the Tariff Board, but, in any case, will not last for a period longer than three months from the receipt of that report.

The Tariff Board inquiry required by the imposition of this temporary duty will be concerned with all woven piecegoods, wholly of or containing not less than 20 per cent by weight of man-made fibres, which are dutiable under Tariff Item 105(D)(1)(a), except for certain types dutiable under Tariff Item 105(D)(1)(a)(1).

Cutlery—Effective August 16 a temporary duty of 10 per cent under all columns of the tariff has been imposed on nonfolding knives (including shaped blanks therefor). This duty is additional to the regular duty and will remain in effect until the Government has taken action on a final report of the Tariff Board, but, in any case, will not last for a period longer than three months from the receipt of that report. No dates have yet been announced for the Tariff Board hearings on this subject.

Copper sheet or strip—Effective August 2, a temporary duty of 12½ per cent under all columns of the tariff has been imposed on copper sheet and strip less than ⅛ inch in thickness, excluding copper strip used in radiators, and a temporary duty of 10 per cent on brass sheet or strip less than ⅛ inch in thickness. This duty is additional to the regular duty and will remain in effect until the Government has taken action on a final report of the Tariff Board, but, in any case, will not last for a period longer than three months from the receipt of that report. The Tariff Board has announced that the public inquiry on this subject will be held in Sydney on November 1 and in Melbourne on

November 22. The Board has asked that statements of evidence be submitted by October 13. However, witnesses are not in any way precluded from appearing at the hearings if they cannot submit their evidence by that date.

Precision ground steel ballbearings—A reference has been made to the Tariff Board requesting an inquiry into Australian production of precision ground ballbearings. Public hearings on this subject will be held by the Tariff Board in Sydney on September 6 and in Melbourne on September 27.

Knitting machines, parts and needles—A reference has been made to the Tariff Board requesting an inquiry into Australian production of bench and table-type knitting machines and parts, including needles. Public hearings on this subject will be held by the Tariff Board in Sydney on November 2 and in Melbourne on November 23. Statements of evidence regarding this inquiry should be forwarded to the Board not later than October 13. However, if this cannot be done, witnesses are not in any way precluded from presenting evidence which would be submitted later.

Ballpoint pens—Effective September 7, a temporary duty of 1d. each under all columns of the tariff was imposed on ballpoint pens having a value for duty of 4½d. or less each. This duty is in addition to the regular duty and will remain in effect only until the Government has taken action on a final report of the Tariff Board, but, in any case, will not last longer than three months after the receipt of that report. Notice of a regular Tariff Board inquiry into this subject was published in the July 1 issue of *Foreign Trade*.

Any firm wishing to make representations at these Tariff Board hearings should contact the Commonwealth Division, International Trade Relations Branch or the Commercial Counsellor for Canada, Office of the High Commissioner for Canada, State Circle, Canberra, Australia.

France

TARIFF REDUCTIONS—By decree of September 12, 1961, the French Government further reduced its tariffs on most imports from all sources. With the exception of raw vegetable materials, vegetable plaiting materials and animal and vegetable fats and oils, agricultural products do not benefit from the present reduction. Wood pulp, some textiles, articles of clothing and works of art are also excluded from this reduction in rates.

On March 30, 1961, duty on the goods covered by the present decree was reduced by 5 per cent, and in some cases by 10 per cent. The object of the decree of September 12 is to extend a uniform 10 per cent reduction to all tariff chapters included in the decree of March 30.

Although this new reduction is not limited to [illegible] countries, it may be regarded as an anticipation of [illegible] 10 per cent reduction scheduled for the end of [illegible] year among Common Market countries.

Samoa

IMPORT DUTIES—Following a financial stater[illegible] by the Samoan Minister of Finance concerning [illegible] grave economic situation facing Samoa as a resul[illegible] falling export prices and production losses thro[illegible] unfavourable weather, a Customs Order Amendr[illegible] Bill was introduced and passed, becoming law [illegible] same day. The bill raises the duty on cigare[illegible] tobacco, beer, spirits, wine and gasoline. The increa[illegible] annual revenue will be about £50,000—Wellingto[illegible]

United States

CUSTOMS ADVISORY SERVICE FOR CA[illegible]DIANS EXTENDED—In March 1956, the Un[illegible] States Customs established an advisory service [illegible] provide Canadian shippers, or prospective shipp[illegible] with information relating to various phases of [illegible] Customs laws, regulations, and procedures. This [illegible]vice has been helpful to Canadian exporters who h[illegible] been able to draw upon the expert knowledge of [illegible] United States Customs Appraiser in Buffalo for adv[illegible]

The United States Commissioner of Customs [illegible] recently extended this service so that the Apprais[illegible] of Merchandise (USA Customs Service) in Bost[illegible] Detroit, Minneapolis, and Seattle are also authori[illegible] to make such advisory services available to Canad[illegible] inquirers. The Appraisers are free, at their discreti[illegible] to handle requests for advice on particular cases [illegible] the shipper's office, in the offices of trade associatio[illegible] USA Consular offices, or in their own offices, un[illegible] the terms of reference set forth by the United Sta[illegible] Customs.

Canadian exporters are thus free to contact any [illegible] the five participating Appraisers through their tra[illegible] association or directly for this purpose. The rulings a[illegible] information that may be provided by the Apprais[illegible] are strictly advisory and subject to confirmation by [illegible] Customs Bureau in Washington. It is felt, howev[illegible] that their expert assistance in clarifying United Sta[illegible] Customs requirements and practices can be valua[illegible] to interested Canadian shippers. In addition, to t[illegible] extent that Canadian firms avail themselves of t[illegible] service, they will be assisting the United States a[illegible]praisers to familiarize themselves with Canadian bu[illegible]ness matters of mutual interest.

In general, the Appraiser in Buffalo will concentra[illegible] on inquiries originating in the adjacent area of Canad[illegible] including Toronto and Montreal. The other Apprais[illegible] will handle inquiries originating in parts of Cana[illegible] nearer to them.

Inquiries should be addressed to: The Appraiser [illegible] Merchandise, USA Customs Service, at the followi[illegible]

addresses (the name of the present Appraiser is also given):

John J. Garvin,
43 Atlantic Ave.,
Boston 10, Mass.
Phone: Capitol 3-7705

E. J. Cannon,
23 Washington St.,
Buffalo, N.Y.
Phone: TL3-0379

James D. MacFarlane,
34 Federal Office Bldg.,
1st Ave. and Madison St.,
Seattle 4, Wash.
Phone: Mutual 2-3300, ext. 252

Francis L. Fox,
150 U.S. Court House,
Marquette at 4th St.,
Minneapolis 1, Minn.
Phone: FE 2-3211, ext. 321

Joseph Gruhach,
100 West Larned St.,
Detroit 26, Mich.
Phone: Woodward 1-8670, ext. 21

Inquiries to the Department on this subject should be addressed to Chief, United States Division, International Trade Relations Branch.

TRADE COMMISSIONERS ON TOUR

L. H. Ausman

L. S. Glass

T. F. Harris

Canada

L. H. AUSMAN, Commercial Counsellor in Brussels, Belgium:

Toronto—Oct. 2-13

When he completes his tour, Mr. Ausman will return to Brussels.

L. S. GLASS, Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland:

Toronto—Oct. 6-13
Hamilton—Oct. 16
Kitchener—Oct. 17
Montreal—Oct. 19-24
Granby—Oct. 25

When he completes his tour and home leave, Mr. Glass will return to Salisbury.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans:

Quebec—Oct. 4-5
Montreal—Oct. 6-13

When he completes his tour and home leave, Mr. Harris will return to New Orleans.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Addis Ababa, Ethiopia, from October 15-21, and Damascus, Syria, from November 12-18.

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Ecuador from October 10-14.

G. F. G. HUGHES, Commercial Counsellor in Stockholm, Sweden, plans to visit Helsinki, Finland, from October 9-11.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from November 20-24.

K. NYENHUIS, Commercial Counsellor in Copenhagen, Denmark, will visit Warsaw, Lodz, and Katowice in Poland during the second half of October.

E. J. WARD, Assistant Trade Commissioner (Timber), Glasgow, will visit Belfast, Northern Ireland, from October 16-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Bailey at Bogotá, Mr. Hughes at Stockholm, Mr. McLane at Glasgow, Mr. Nyenhuis at Copenhagen, and Mr. Ward at Glasgow.

Head Office Directory

Gov. Lo

Minister: The Honourable George Hees 2-0337, 2-0
Executive Assistant: M. R. Jack 6-7
Private Secretary: Mrs. Reta Taylor 2-0
Deputy Minister: James A. Roberts 2-2888, 2-5
Executive Assistants: D. H. Cheney, C. J. MacCallum 2-2380, 2-0
Assistant Deputy Minister (External Trade Promotion): H. Leslie Brown 2-2530, 2-0
Assistant Deputy Minister (Trade Policy): J. H. Warren 2-4042, 2-2
Assistant Deputy Minister (Commodities and Industries): Denis Harvey 2-5417, 2-7
Assistant Deputy Minister (Domestic Commerce): B. G. Barrow 6-8431, 6-8

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Administrative Assistant: Miss M. L. E. Jones 2-2

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Director: D. A. Bruce Marshall 2-4
Assistant to Director: G. E. Woollam 6-76

Fisheries Division

Chief: T. R. Kinsella 6-73

Livestock and Animal Products Division

Chief: K. L. Melvin 2-31
Livestock, Meats, and Meat Products: J. Kaffezakis 2-31
Dairy and Poultry Products: 2-31
Furs, Sugar, Beverages: D. H. Burns 2-41

Plant Products Division

Acting Chief: A. J. Stanton 6-75
Fruits, Vegetables, and Grocery Products: J. B. Mountain 2-09
Special Crops, Feeds, Seeds: W. S. Curran 6-63
Oils, Fats, and Oilseeds: 6-75
Tropical Products, Tobacco, and Confectionery Products: 2-09

Grain Division (Confederation Building)

Chief: R. M. Esdale 2-5830, 2-56

Canadian Government Exhibition Commission 479 Bank Street

Director: Glen Bannerman 6-7412, 2-35
Administrative Officer: A. D. Simmons 6-67
Chief, Design Section: T. C. Wood 2-367

Commodities Branch

Director: A. M. Tedford 6-690
Assistant Director: E. C. Thorne 6-716
Assistant to Director: D. F. Alger 2-568

*Unless otherwise noted, all offices of the Department are in this building. Cable address: COMAGENT, Ottawa. If you ar telephoning from out of town, call the government switchboard, CEntral 2-8211, and ask for the local; if you are in Ottaw dial 9, then the government local.

Gov. Local

Appliances and Commercial Machinery Division

Chief: G. W. Rahm	6-6950
Business Equipment and Office Machinery: W. H. Grant	2-3209
Radio and Television, Scientific Instruments, Hospital Equipment: J. A. Findlay	6-6958
Plumbing and Heating Equipment: D. C. Meyers	6-6383
Electrical and Gas Appliances: P. C. Fredenburgh	6-6552
Commercial Machinery Equipment and Supplies: O. A. Sulzenko	6-6552
Hardware, Housewares and Tools: G. Weber	6-7956

Chemicals Division

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Fertilizers, Synthetic Resins, Rubber: G. A. Ferguson	6-6075
Pesticides, Adhesives, Cleaning Compounds, etc.: R. B. Ball	6-6075
Petroleum, Organic Chemicals: T. V. Harquail	6-7601
Pharmaceutical Products, Inorganic Chemicals: J. G. Touchette	2-5177
Paints, Coal Tar Chemicals, Light Organic Chemicals: A. G. Billingsley	6-6075

Engineering and Equipment Division

Acting Chief: R. C. Wallace	2-4082
Consulting Engineering, Aerial Surveying, Nuclear Energy: R. C. Wallace	2-4082
Engineering Projects and Industrial Electric Equipment: R. C. Wallace	2-4082
Agricultural and Automotive Equipment, Vehicles, Aircraft, Ships, and Railway Rolling Stock: G. C. Clarke	2-3873
Communications and Electronic Equipment: D. L. Draper	6-6479
Machine Tools and Heavy Industrial Machinery: J. R. Johnson	6-7546
Construction Contracting: David Mott	2-5382
Light Industrial Machinery, Process Equipment, and Nuclear Reactors: L. T. Hansson	2-5859

Forest Products Division

Chief: M. N. Murphy	2-0273
Logs, Other Round Material, Lumber and Sawmill Products: O. Hickie	2-4863
P. H. Jones	2-5811
J. M. Monaghan	6-6974
Manufactured Wood Products: F. T. Carten	2-5811
Wood Pulp, Newsprint and Other Papers: M. N. Murphy	2-0273
Paper and Paper Products: C. M. Shaw	2-5127

Metals and Minerals Division

Chief: J. M. Rochon	6-8422
Iron and Steel: A. M. MacKenzie	2-5159
Non-Metallic Minerals: R. P. Mulvihill	2-5823
Non-Ferrous Metals: R. J. Hurley	2-3823
R. T. B. Harvey	2-3823
Statistics: W. L. Power	2-3823

Textiles and Consumer Goods Division

Chief: A. C. Fairweather	6-6197
Handicrafts, Chinaware, Jewellery, Photographic Equipment: R. A. Drouin	2-5337
Ladies' Wearing Apparel, Linens: E. G. Gerridzen	6-7815
Leather, Rubber and Plastic Products: W. L. Herman	2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones	2-4160
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Transportation and Trade Services Division

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Assistant Chief: H. A. Hadskis 2-2
Transportation and Communications Section
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Chief, Laboratory Division: W. J. S. Fraser 2-25
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Newfoundland Representative: Sir Humphrey Gilbert Building, Duckworth Street, St. John's, Newfoundland (P.O. Box E-5374)	2698

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The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .970579.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 25	Units per Canadian dollar	Notes (See below
Argentina	Peso		.01246	80.26	
Austria	Schilling		.03993	25.04	
Australia	Pound		2.3192	.4312	
Bahamas	Pound		2.8990	.3449	
Belgium and Luxembourg	Franc		.02070	48.31	
Bermuda	Pound		2.8990	.3449	
Bolivia	Boliviano	Free	.00008786	11,381.74	
British Guiana	Dollar		.6040	1.65	
British Honduras	Dollar		.7295	1.37	
Brazil	Cruzeiro	Free	.003457	289.27	
		Special Category	†	†	
Burma	Kyat		.2164	4.62	
Ceylon	Rupee		.2174	4.60	
Chile	Escudo		.9794	1.02103	
Colombia	Peso	Certificate	.1538	6.50	
Congo, Republic of	Franc		.02070	48.31	
Costa Rica	Colon		.1555	6.43	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1431	6.99	
Denmark	Krone		.1496	6.68	
Dominican Republic	Peso		1.03031	.9706	
Ecuador	Sucre	Official	.05724	17.47	
		Free	.04997	20.01	
Egyptian Region, United Arab Rep.	Pound	Official	2.9586	.3380	
El Salvador	Colon		.4121	2.43	
Fiji	Pound		2.6117	.3829	
Finland	Markka		.003220	310.56	
France, Monaco, etc.	New Franc		.2094	4.77	(1
Franco-African Republics, etc.	Franc		.004188	238.77	(2
French Pacific	Franc		.01152	86.80	(3
Germany	D Mark		.2578	3.88	
Ghana	Pound		2.8990	.3449	
Greece	Drachma		.03434	29.12	
Guatemala	Quetzal		1.03031	.9706	
Haiti	Gourde		.2061	4.85	
Honduras	Lempira		.5152	1.94	
Hong Kong	Dollar	Free*	.1798	5.56	*Sept.
		Official	.1812	5.52	
Iceland	Krona	Official	.02396	41.74	(4
India	Rupee		.2174	4.60	
Indonesia	Rupiah	Official	.02289	43.68	(4
Iran	Rial		.01360	73.52	
Iraq	Dinar		2.8849	.3466	
Ireland	Pound		2.8990	.3449	
Israel	Pound		.5724	1.75	
Italy	Lira		.001660	602.41	
Japan	Yen		.002862	349.40	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

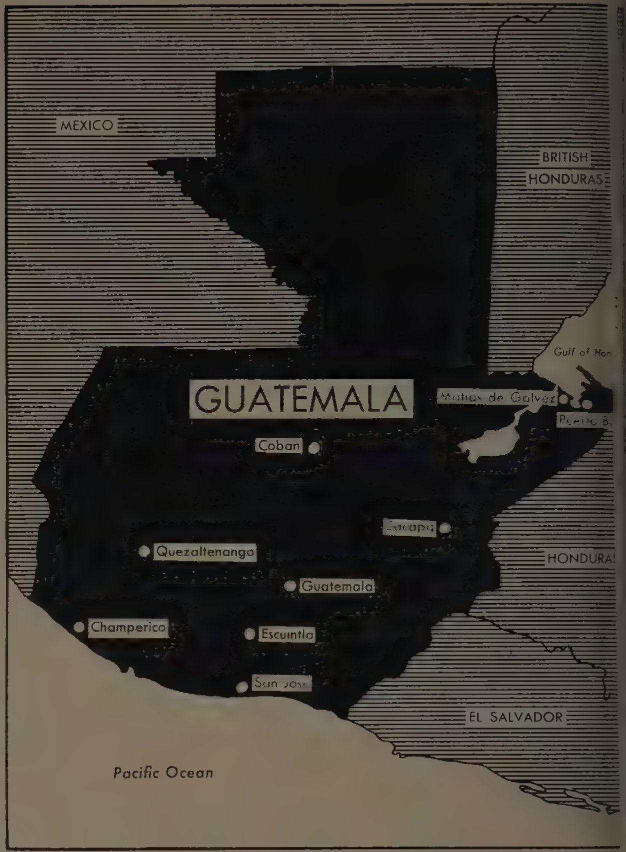
Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 25	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3237	3.08	
Mexico	Peso		.08243	12.13	
Morocco	Dirham		.2061	4.85	
Netherlands	Florin		.2851	3.51	
Netherlands Antilles	Florin		.5463	1.83	
New Zealand	Pound		2.8990	.3449	
Nicaragua	Cordoba	Effective buying	.1561	6.41	
		Official selling	.1461	6.84	
Nigeria	Pound		2.8990	.3449	
Norway	Krone		.1447	6.91	
Pakistan	Rupee		.2174	4.60	
Panama	Balboa		1.03031	.9706	
Paraguay	Guarani	Official	.008145	122.77	
Peru	Sol		.03841	26.03	
Philippines	Peso	Free	.3434	2.91	
		Official	.5152	1.94	
Portugal & Colonies	Escudo		.03596	27.81	(5)
Republic of South Africa	Rand		1.4495	.6898	
Singapore and Malaya	Straits Dollar		.3382	2.96	
Spain and Dependencies	Peseta		.01717	58.23	
Sweden	Krona		.1994	5.01	
Switzerland	Franc		.2387	4.18	
Syrian Region, United Arab Rep.	Pound	Free	.2882	3.47	
Thailand	Baht	Free	.04873	20.52	(4)
Tunisia	Dinar		2.4728	.4044	
Turkey	Lira		.1145	8.73	(4)
United Kingdom	Pound		2.8900	.3449	
United States	Dollar		1.0303125	.970579	
Uruguay	Peso	Free	.09396	10.64	
Venezuela	Bolivar	Official	.2249	4.45	
		Free	.3077	3.25	
West Indies Fed.	Dollar		.6040	1.65	(6)
	Pound		2.8990	.3449	(7)
Yugoslavia	Dinar	Official	.001374	727.80	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

GUATEMALA



Area: 42,364 square miles.

Population: 3.5 million.

Climate: low coastal areas are hot and humid, but slopes and plateaus range from cool to cold.

Language: Spanish; most agency firms correspond in English as well as Spanish.

Currency: quetzal; at par with U.S. dollar.

Weights and measures: metric system, although some Spanish standards are also used.

Capital: Guatemala City; altitude 4,872 feet.

Chief ports: Puerto Barrios and Matias de Galvez on the Atlantic, Champerico and San José on the Pacific.

Marketing centres: Guatemala City (population) 350,000, Quezaltenango 36,209, Escuintla 31,625, Coban 29,242, Zacapa 27,696.

Economy: mainly an agricultural country; the chief crops are coffee, bananas, abaca and essential oils. Tropical hardwood and minerals are also available. Secondary industry is developing rapidly.

Total Guatemalan imports: 1959—U.S.$134.0 million, c.i.f.

Chief imports: (U.S.$ million) 1959—groceries 14.8, lubricants 13.2, chemical products 16.8, manufactured goods 33.8, machinery and transportation 37.0.

Chief suppliers: (U.S.$ million) 1959—Germany 13.5, Belgium 3.0, Canada 3.0, United States 73.6, Japan 3.0, Mexico 3.0, United Kingdom 6.2, Netherlands Antilles and Surinam 8.4.

Value of imports from Canada: 1961 (4 months)—$626,628; 1960—$2,105,838.

Chief imports from Canada: 1960—milk powder, whole milk $207,927; newsprint paper $202,129; malt $181,101; upper leather, n.o.p. $126,534.

Total Guatemalan exports: 1959—U.S.$103.2 million, c.i.f.

Chief exports: (U.S.$ million)—bananas 10.2, coffee beans 73.9, soluble coffee 2.1, cotton 4.1, manila fibre 1.2, chicle 1.5.

Chief markets: (U.S.$ million) 1959—Germany 18.1, Belgium 2.1, El Salvador 3.9, United States 64.5, Netherlands 3.0, Japan 2.2, Sweden 3.5.

Value of Canadian purchases: 1961 (4 months)—$964,422; 1960—$3,255,604.

Chief Canadian purchases: 1960—bananas $1,501,099, coffee green $1,323,617, instant coffee powder $336,341.

Dollar exchange: no restrictions.

Prices: quote in U.S. dollars, preferably c.i.f. Puerto Barr Matias de Galvex or San José.

Samples: samples for re-export will be admitted temporal free of duty if a deposit or bond is placed with the ta authorities.

Trade agreements: exchange of most-favoured-nation agr ment with Canada in 1937.

Import controls, documentation, customs tariffs, marking labelling: consult the International Trade Relati Branch, Department of Trade and Commerce, Ottawa.

Canadian banks: Bank of London & Montreal Limited.

Correspondence: airmail essential; letters 10 cents per h ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala

Roger Duhamel
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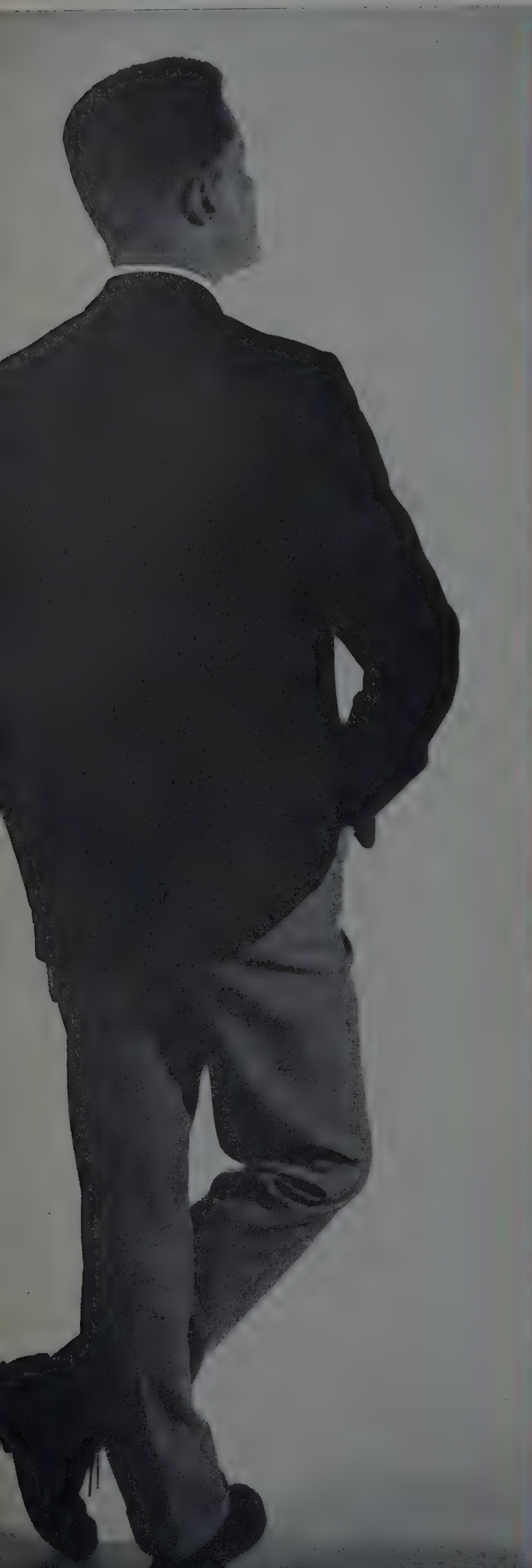

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A Look at Latin America I

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

OCT. 21. 61

FOREIGN TRADE

OCTOBER 21, 1961 Vol. 116 No. 9

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COMING——REPORT ON THE WEST INDIES, IN NOVEMBER 4 ISSUE

99770-0—1

LATIN AMERICA

Part I of our annual survey of business and trading conditions in Latin America covers Mexico, Central America, and the Greater Antilles. Part II, on South America, will appear in our November 18 issue.

Mexico

In Canada's largest market in Latin America, both imports and exports rose last year; trade deficit is causing concern. Pattern of imports is changing; chemicals, machinery and equipment for industry are making gains; others are losing ground.

W. M. MINER, *Assistant Commercial Secretary, Mexico, D.F.*

THE May 6 issue of *Foreign Trade* reported solid economic gains in Mexico during 1960. This expansion has not been sustained in the first nine months of the current year. A number of developments, both internal and external, have influenced the economy, creating a mild recession that continues up to the present time. The Government is taking action to reverse this trend and achieve renewed economic growth with financial stability. Mexico has become Canada's largest market in Latin America. Although in 1960 Canadian sales to Mexico were the second highest on record, during the first half of this year they have risen even more.

Exchange of merchandise between the two countries has increased over the years and present indications favour a continuation of this trend. It is a two-way trade between North American and complementary economies; in fact, during the past fifteen years the trade balance has favoured Mexico eig times and Canada seven.

The trend in trade is upward b imports and exports fluctuate r markably in value and undergo slower adjustment in compositio To some extent business conditio dictate these variations, but th trade is influenced strongly b structural changes in the economi and by competition from other su pliers. A survey of the Mexic business situation may help e porters assess the present demar for their products and a clos examination of the changing patte of trade may assist Canadian con panies to evaluate their future pro pects in this rapidly developir country.

Business Trends

Last year saw a strong expansic in manufacturing, construction an production of electric power. Agr cultural output was about the sam as in 1959 because climatic cond tions reduced yields of staple crop Up to date in 1961, a reductio in investment and governme spending has retarded growth i most industries. Agriculture is a exception; prospects are favourabl and a bumper crop is predicte Mexico's total trade remains at ap proximately 1960 levels. Touri revenues and investments have bee reduced—two important facto contributing to the less favourabl economic situation.

The movement of direct foreig investment into Mexico has been ir

fluenced by government policies and activities aimed at the "Mexicanization" of a share of industry. The principal government activities have been the purchase last year of the privately owned electricity companies and the two major theatre chains, followed by the adoption of a new mining law aimed at reducing foreign interest in the industry. Although representatives of the Government have stated that intervention will be restricted to public services and monopolies to create necessary and balanced industrialization, these policies have retarded investment.

Government officials have repeatedly assured foreigners that their capital is needed and welcome and they have emphasized the stability of the peso and the favourable climate for investment. Despite the need for foreign financial assistance, Mexico retains the right to determine the terms under which investors may participate in the economy. Although the country has suffered some loss of short-term capital and experienced a general slowdown in investments, Mexico continues to seek and obtain foreign credits on a substantial scale. Public sector investments are concentrated on communications and public works, petroleum and power projects, and (to a lesser extent) hydraulic resources and rehabilitation of the railways.

Government Finances

Mexico has been quite successful in combatting inflation through various price and credit controls and a manageable budget deficit. The annual unfavourable merchandise trade balance is covered largely by tourist revenues and frontier transactions. Loss of some short-term capital, reduced investment and smaller tourist earnings have resulted in a strain on the balance of payments. On August 2 the Minister of Finance announced the establishment of additional and important lines of credit in an apparent move to stimulate confidence in the economy and guarantee stability of the peso. These credits, totalling $180 million, were obtained from the IMF and the Eximbank and supplement existing lines of credit of $255 million.

The 1961 federal budget is expected to be balanced or at least result in a smaller deficit than last year. Government expenditures are being carefully scrutinized and with stricter control of imports, this fiscal program should improve the financial position of the country.

Commercial Policies

The Government has taken several important steps to reduce the trade deficit and encourage the tourist trade, and thus ease the strain on the balance of payments. A Congress decree of January 5 reinforced the powers of the federal executive to alter tariffs and trade restrictions through establishing the amount of money available for various groups of imports. Beginning in April, a general revision of the import tariff was instituted to give more effective control over the application of duties and to protect local industry. Many more imports have come under permit requirements or are affected by increased duties and higher official valuations for duty purposes. (Even when permits are granted, the processing of documentation takes considerable time.)

Mexico has been affected by weaker markets for many of its export products—particularly coffee, cotton and peanuts. A program to promote sales is being formulated. Export taxes on some commodities were reduced and the Government has created a new board to assist exporters. Several additional commercial counsellors have been appointed to foreign countries, including Canada.

President Lopez Mateos in his annual September address outlined plans to promote small and medium industry, with emphasis on foods, textiles, leather, iron and steel. He stated that the Government is preparing a list of 600 industrial products that must be manufactured in Mexico. Special stimulants will be offered to private investors in these fields. This program is directed towards reducing imports and providing employment opportunities.

Export markets are being expanded through a program of trade fairs and missions. This year Mexico is attending eight foreign trade fairs, including those in Toronto and Montreal. Commercial missions have visited several countries to study markets and promote sales. Mexican delegations have attended international and regional conferences, especially those with commercial implications. The importance of tourist revenue has not been overlooked: a new commission was created to promote tourist trade, particularly along the U.S. border. These measures should benefit Mexico and assist the Government to strike a closer balance between purchases and sales. Imports are likely to be affected considerably in the short run, but as additional products are developed and new markets exploited, sales should rise.

Mexico and LAFTA

The Latin American Free Trade Association came into force in June 1961 and Mexico is expected to play a leading rôle. She has submitted a list of 600 products for tariff negotiation, including a number of exportable manufactured products. Because more than 95 per cent of Mexico's total trade is conducted with nations outside LAFTA, this attempt to develop markets in the area will be breaking new ground. Its success will depend on prices, deliveries, quality and credit terms—all of which must be tested. Many of Mexico's traditional exports are commercial agricultural products not usually imported by its partners in LAFTA.

Canada's exports to Mexico are not expected to be affected because the bulk of our sales are semi-finished production goods unavailable within LAFTA. An exception

99770-0—2

SOME LEADING MEXICAN IMPORTS

	Jan.-May 1960	Jan.-May 1961	Change in per cent
	(in millions of dollars)		
Total merchandise imports	**474.3**	**468.0**	**—1.3**
Of which:			
Machinery installations	23.9	33.3	+39.3
Automobiles for private use	28.8	23.2	—19.4
Metal spare parts for machinery	19.0	20.8	+ 9.5
Machines mechanically operated	18.3	17.2	— 6.01
Petroleum and products	17.4	16.2	— 7.0
Automobile parts	12.3	14.7	+19.5
Trucks	18.2	14.7	—19.2
Organic and chemical mixtures	9.9	9.3	— 6.06
Tractors	8.5	8.6	+ 1.2
Railway rolling stock	4.3	7.9	+83.7
Chemical fertilizers	9.2	7.8	—15.2
Natural or artificial crude rubber	8.3	7.2	—13.2
Spare parts for tractors	6.0	6.4	+ 6.6
Iron and steel ingots and scrap	7.3	5.9	—19.1
Automobile engines and parts	3.8	5.4	+42.6

Source: **Commercio Exterior,** September 1961.

could be newsprint, which Chile produces in exportable quantities.

Foreign Trade

Last year Mexican imports rose some 18 per cent over 1959 figures to $1,186 million. This increase was encouraged by an expansion in credit, higher government expenditures, improved domestic production in most sectors, and a general rise in economic activity. Exports went up slightly to a value of $783 million.

According to preliminary unadjusted figures, imports from January to June 1961 totalled U.S.$566 million compared with $571 million for the same period last year. Exports reached $350 million, compared with $341 million in the first half of 1960. The accompanying table contains a comparison of imports for the first five months of both years.

These figures indicate that in 1961 total purchases may come close to the level of last year. The new policy on imports has retarded a further increase but a number of products, particularly in the machinery category, are urgently needed. This demand, if met, may result in total imports slightly exceeding last year's figure.

On the export side, sales are somewhat higher in value as prices tended to stabilize in 1960. Sugar exports are up substantially. This increase, plus higher sales of cotton, shrimp, zinc and petroleum products, compensates for smaller sales of coffee, lead, sulphur and copper.

Canadian Sales

A share in Mexico's increased purchases during 1960 was obtained by Canadian companies. Our sales to this market rose 37 per cent over 1959 to a total of $38 million. Shipments of newsprint, aluminum, synthetic rubber, asbestos fibres, papermakers' felts, pulps, and some types of industrial equipment made strong gains. These gains resulted from greater economic activity and the accompanying demand for production goods. A significant factor in the increase was the shipment of $6.1 million worth of rails and track accessories. Some trade items declined in value last year because of stronger foreign competition, notably ores, chemicals, medicinal preparations, cattle and fishmeal. Canadian sales of passenger cars,

PRINCIPAL CANADIAN EXPO[illegible] TO MEXICO

	1959
	(thousa[illegible] doll[illegible])
Total exports to Mexico	**27,766**
Of which:	
Newsprint	7,597
Synthetic plastics	5,053
Railway rails	157
Aluminum, primary forms	1,733
Asbestos milled fibres	1,191
Railway track accessories	....
Machinery and parts	1,514
Drugs and chemicals, n.o.p.	1,516
Motion picture and photo film	265
Felts, jackets, papermaking	511
Sulphite pulp, unbleached, news grade	194
Agricultural implements	895
Ores, n.o.p.	....
Skimmed milk powder	122
Sulphite pulp, bleached paper grade	263
Electric meters and parts	276
Bookkeeping and calculating machinery	269
Fine nickel and in oxide	120
Non-metallic minerals, n.o.p.	233

Source: Dominion Bureau of Statist[illegible]

agricultural implements and [illegible]tilizers were influenced by [illegible] production and import restricti[illegible] The table includes some of [illegible]ada's principal exports to Me[illegible] and reveals gains and losses c[illegible]pared with 1959.

Statistics covering the first [illegible] months of 1961 indicate that ou[illegible]ports to Mexico may exceed [illegible] 1960 figure. From January to A[illegible] exports were almost $2 mil[illegible] ahead; the major gains were m[illegible] by steels, rails and track mate[illegible] newsprint, asbestos fibres, nic[illegible] tin, transmission equipment [illegible] synthetic rubber. All of these [illegible]creases resulted from the grov[illegible] demand for industrial essential[illegible]

Import Trends

Since 1945 Mexico has m[illegible] steady and impressive indus[illegible] gains. The important agricult[illegible] sector has been encouraged until [illegible] country is self-sufficient in b[illegible] foodstuffs. This progress, cou[illegible] with government policies of r[illegible]

MEXICAN IMPORT PATTERN

(in per cent of total)

	1956	1960
Foodstuffs	4.62	3.14
Alcohols and tobaccos	.48	.59
Primary materials (except mineral fuels)	7.87	7.06
Fuels, lubricants and electrical energy	5.51	2.15
Fatty materials (except lubricants)	.87	.21
Chemical products	12.29	15.07
Manufactured articles classified by material	10.49	8.46
Machinery tools, electrical and transportation material	45.45	49.95
Other manufactured articles	3.32	3.73
Other products	.33	.41

Source: Dirección General de Estadistica.

industrialization and improving living standards, has resulted in adjustments in imports.

As shown in the table, the principal import shifts have been away from the purchase of primary materials, petroleum products, electrical energy, and manufactured goods to machinery, equipment and chemicals for industry. This trend works against foreign suppliers of consumer products, agricultural commodities and finished light industry goods and has affected United States and European exporters most of all.

Effect on Canada

Canadian exporters have been influenced by the changing pattern but the over-all composition of our sales has not altered seriously. A comparison of the 25 principal exports in 1960 with 1955 reveals that every item was sold in quantity, with the exception of certain minerals and fishmeal. Local production or assembly has reduced some sales, particularly of apple juice, malt, machinery, whisky, wood products, fertilizers, consumer appliances, electrical apparatus, automobiles and agricultural equipment. On the other hand, some Canadian sales have risen to overcome these losses—such as newsprint, pulp, film, minerals, and electrical transmission equipment.

Relations between Canada and Mexico continue to strengthen and appear closer in 1961 than at any time in the past. The President of the Republic, Lic. Adolfo Lopez Mateos, made a pertinent comment in his State of the Union address delivered on September 1. He said, "The close and cordial friendship with Canada and the United States of America is basic in the framework of Mexican international policy." Official visits have been exchanged in the last three years between the heads of the two states. In July the President's wife, Mrs. Eva Lopez Mateos, opened the Calgary Stampede and visited points of interest in Western Canada. Trade constitutes an important adjunct to this interchange and Canada can expect to increase its sales as Mexico expands. ●

In this Mexican warehouse, Canadian tool and special steels are stored, ready to be sent out quickly to fill orders. During the first four months of this year, our exports of steels to Mexico made major gains; so did shipments of a number of other products that help to fill Mexican industry's need for materials and equipment, such as newsprint, asbestos fibres, transmission equipment, and tin.

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From a modern office building in Guatemala City, the Canadian Trade Commissioner and his assistant are seeking to develop trading opportur between Canada and Guatemala as well as with the other Central Americ Republics—Honduras, El Salvador, Nicaragua, Costa Rica and Panama. They make regular tours of the business centres in all these countries and submit numerous reports on the trade prospects.

To this area, with its population of some 11 million, Canada exported $14 million worth of goods during 1960 and has maintained this rate o export during the first half of 1961. Shipments include several hundred categories of goods, headed by wheat flour, newsprint and upper leather. Measured against total imports by the six countries of close to $600 mi worth of goods a year, the Canadian share is a relatively modest on about 2½ per cent. Central America's principal trading partner contin to be the United States. Canadian purchases from Central America consist largely of coffee, bananas and raw cotton. In 1960 imports Central American products into Canada were valued at $18 milli

The idea of closer association among the Republics, linked both geographically and historically, has remained alive for many decades despite setbacks. Recently discussions on a treaty among them, aimed at joining t together into larger free trade areas or preferential-tariff areas with th purpose of stimulating their economic development, have increased consi ably. Guatemala, El Salvador, Honduras and Nicaragua have been mak progress along these lines and have also moved towards an equalization of their rates of customs duty against outside countries.

The succeeding articles list many loans received by the Central American countries from international financial institutions for various projects su as agrarian development, the construction of power facilties, and the building of roads. In addition, the "Alliance for Progress" plan develope the Punta del Este meeting in August should see an increase in developm projects of all types in Central America as well as in South America. These may very well provide opportunities for participation by Canadian consultants and engineering firms.

The possibilities of accelerated economic growth make for a brighter outlook for the export of Canadian goods and services generally to this a

Canada's Trade with Central Americ

Costa Rica

Canada's sales rose last year, despite curbs on imports and higher customs duties made necessary by fall in export earnings and in exchange reserves. Austerity measures, foreign aid expected to bring economic improvement.

F. E. LEMIEUX, *Trade Commissioner, Guatemala City.*

ECONOMIC indicators show that the Costa Rican economy, for all the effort made, is facing a crisis. The balance of payments has taken a turn for the worse, particularly during these last few months, and there are no signs of recovery within the near future. Public expenditures have continued to exceed revenues, as for the past five years. The balance of trade in 1960 was again in deficit, although this deficit was slightly smaller than in 1959. Both retail and wholesale sales decreased further in 1960 and by the end of last June were reported at an all-time low.

As of June 30, 1961, Costa Rica's foreign exchange reserves stood at $10.9 million,* nearly $3 million less than a year ago. All of these setbacks were generally the result of low and still falling world prices for Costa Rica's staple exports—coffee, bananas and cocoa. Both the volume and average values of coffee shipments during the 1960/1961 crop year dropped and proved that the revenue forecasts were over-optimistic. Coffee production had indeed increased but the crop could not be disposed of entirely in the depressed world market.

Corrective Measures

To meet its economic problems, the Costa Rican Government has already adopted a number of measures and is proposing to put others into effect. To help halt the steady and alarming drop in foreign exchange reserves, the Central Bank of Costa Rica has recommended a simplification of the multiple rates of exchange currently in force. The Bank's recommendations were accepted last June and the list of essential products importable at the preferential rate of exchange of C5.67 to the United States dollar has been cut down drastically to a very few items. This means that henceforth practically all imports into Costa Rica must be effected at the current commercial or "free" rate of C6.63 per United States dollar. In keeping with the austerity program and to help curb both imports and public spending, the Central Bank of Costa Rica has proposed increases of from 15 to 50 per cent in customs duties on so-called "luxury" imports. Some increases in the rates of customs duties are already in effect. It is too early to say to what extent these steps, drastic by Costa Rican standards, will actually improve the situation. One remedy for the country's economic ills would certainly be an improvement in world market conditions and prices. Coffee-producing countries made a strong bid for United States help in that direction at the "Alliance for Progress" meeting recently held at Punta del Este in Uruguay.

Outside Aid

Because of the difficult time Costa Rica is going through and will experience for some time yet, there is great need for foreign financial assistance, including investment from abroad. Some outside financial assistance has already been extended and more is expected, thus helping to restore confidence in the economy. The advice of the IMF resulted in an economic stabilization program to which various international organizations are giving financial support. Among the loans received or under discussion are:

- The World Bank, an $8.8 million loan to improve and expand the already substantial hydroelectric power facilities. The loan will help pay for equipment and machinery required for the large Rio Macho project and for diesel generating facilities at La Colima and at Puerto Limón on the Caribbean—Atlantic Ocean. Invitations to bid for the supply of equipment have already been published.

- The Government has approved a national highway building program and has applied for a $10 million to $15 million loan from the World Bank to finance it. However, preliminary engineering surveys have not yet begun.

- The Government is currently negotiating for a grant from the Development Loan Fund for the improvement and expansion of its agro-pastoral industry, which is assuming an ever-increasing importance. The National Bank of Costa Rica has asked the DLF for a $5 million credit to improve the livestock industry.

- Negotiations have also started for a loan to be extended jointly by the Development Loan Fund and the Eximbank to improve San Jose's rather inefficient water-supply system.

- The Costa Rican Government is hoping to obtain three loans from the Inter-American Development Bank under the United States-sponsored "Alliance for Progress" plan. A figure of $6 million has been mentioned as earmarked for housing and other projects. Addi-

*All values in this report are in U.S. dollars unless otherwise specified.

tional funds will be sought to finance various state-owned production facilities, possibly including a flour mill.

Foreign Trade

As forecast, Costa Rica had a record coffee crop of 1.17 million bags (132 pounds each) during the 1960/61 season, an appreciable increase of 10 per cent over the previous crop. But export sales failed to produce the expected amount of much needed foreign exchange and preliminary forecasts for the 1961/62 crop put coffee production at the same level as last season's. More bananas were also exported in 1960 than in 1959 but prospects for the current year are no better or worse than in 1960. Sugar exports should increase. Prospects for foreign exchange receipts from cocoa sales are not too promising.

In 1960, the value of Costa Rican exports (f.o.b.)—almost entirely composed of coffee, bananas, hemp and sugar—was 10 per cent higher than in 1959—$88.9 million compared with $79.7 million. The United States and Europe were, as usual, the principal customers.

Imports increased by 5 per cent in 1960, when the c.i.f. value of purchases abroad reached a total of $107.9 million compared with $102.7 million in 1959. Although available Costa Rican statistics do not give a breakdown by countries of origin, it is reasonable to assume that the suppliers were the traditional ones, with the United States leading all others by far, followed by West Germany, other European countries, and Japan. The Japanese are becoming more and more active in supplying a wide variety of goods, principally heavy machinery and equipment, to government "autonomous institutions". Considering that approximately 35 per cent of all Costa Rican imports are brought in for the account of such institutions, it is evident that Japan is playing an increasingly important rôle as a supplier.

Costa Rica has negotiated bilateral trade agreements with both Panama and Nicaragua and these treaties are expected to go into effect within the near future. In the meantime, Guatemala has repudiated the Guatemalan-Costa Rican bilateral trade agreement of 1957 and it will become void next December.

Canadian-Costa Rican Trade

In contrast to Costa Rica's trading relationships with most other countries, Canada's trade with this Central American republic shows definite signs of improvement. Our exports to Costa Rica increased in 1960 over 1959 but our purchases decreased significantly. This resulted in an improvement in our balance of trade, which nevertheless continues to be in Costa Rica's favour. The following tables show the trend, which is one of slow but gradual movement towards equilibrium:

CANADIAN-COSTA RICAN TRADE

	Canadian Exports to Costa Rica	Canadian Imports from Costa Rica
	(Can.$'000)	
1958	2,884	7,127
1959	2,633	4,810
1960	2,983	4,345

The DBS statistics on Canadian exports to Costa Rica for the first four months of the current year show a significant improvement over the corresponding period of 1960.

CANADIAN EXPORTS TO COSTA RICA

Jan.-May 1960	Jan.-May 1961
Can.$1,177	Can.$1,332

Wheat flour accounted for nearly 45 per cent of our exports to Costa Rica in 1960 and newsprint for about 20 per cent. The other important commodities were upper side leather, tires and farm machinery. Statistics for the first five months of 1961 also show wheat flour and newsprint as Canada's main exports to that market.

Statistics on Canadian import 1961 are only available for first four months but they too sl a significant increase—to $1, million in 1961 compared w $1,061 million in 1960. In 19 bananas were by far the lar Canadian import from Costa R with coffee a poor second. Figu for the first quarter of 1961, h ever, show coffee in the lead bananas in second place.

The Outlook

It is evident that present busi prospects in Costa Rica are bright. However, the situation c not yet be considered alarm because of the expectation of s stantial assistance from abroad help stabilize the economy. In ac tion, the Costa Rican authori seem determined to take effect measures to improve the busin climate generally. The "Allian for Progress" program is still in infancy and it is too early to how much and how soon its imp will be felt in Costa Rica. Becau of the urgency of the times, "fairly soon" forecast seems rea tic. What happens in the wo coffee and banana trade and Costa Rican industry within t next few months will determine t short-term prospects. That is w developments in the next half-ye should be watched closely. ●

El Salvador

With good cotton and coffee crops, a comfortable trade surplus, and foreign aid, the country should be able to build up its depleted foreign exchange reserves. But Canadian exporters should expect heightened competition in selling certain products.

H. E. LEMIEUX, *Trade Commissioner, Guatemala City.*

EL SALVADOR, the most industrialized of the Central American Republics, has been gradually developing its economy, thanks to a long period of political stability. But since October 1960 economic improvement has been slowed up. And the end to the era of uncertainty and political unrest is not in sight; a new government took over in January 1961 and as recently as last July another attempt was made to overthrow the new Directorio. These political upheavals naturally induce a state of suspense and apprehension and one result has been the flight of capital abroad, which in a few weeks was reported to be running as high as $10 million.*

As a counter measure, the Directorio made it compulsory earlier this year for exporters to turn over all foreign exchange earnings to the recently nationalized Central Reserve Bank; the free sale of exchange by commercial banks was suspended. Henceforth, all purchases of foreign exchange must be effected through government channels.

Exchange Reserves Decline

Political unrest accentuated the seasonal economic decline towards the end of 1960. This, plus the flight of capital and the deficit in the balance of trade, brought a marked deterioration in the gold and foreign exchange reserves—$47.7 million at the end of December 1959 to $33 million a year later, and this does not take into account the stabilization loan of $11.25 million granted by the International Monetary Fund in September 1960. The reserves have been falling steadily ever since, until by last June, the Central Bank holdings had been reduced to a bare $16 million, though the Directorio announced that "the Bank has met its international obligations" and gave assurances that there would be no devaluation of the rates of exchange. In the meantime, the IMF agreed to postpone for three years the six-month emergency standby credit for $11.25 million it granted in September 1960. The United States Government has since given further financial aid to help maintain the present value of the colon.

Late last June the Central Bank also revised its rediscount and interest rates in the hope of encouraging foreign capital investment and the repatriation of funds held by Salvadoreans abroad.

Agricultural Production Up

The trend towards a greater volume of production of most of El Salvador's staple exports is reflected in the following table:

EL SALVADOR'S AGRICULTURAL PRODUCTION

Crop Year	Coffee	Cotton	Sugar
		(metric tons)	
1950/51	71,714	6,210	26,358
1955/56	72,588	30,774	35,696
*1960/61	92,874	39,606	55,200

*Estimates.
Source: Salvadorean Bureau of Statistics.

Coffee remains the principal source of foreign exchange, accounting for 75 per cent of total Salvadorean exports. According to an FAO survey, El Salvador has the highest yield per acre of all coffee-producing countries. The charter of the huge Compañia Salvadoreña de Café was amended last July and the declared objective is to assist small and medium producers in obtaining better credit facilities.

Cotton production is increasing, as is the revenue from sales abroad, which during the 1960/61 season increased over the previous year in both value and volume. Earnings from the 1961/62 crop may well reach an all-time high if the weather is favourable and prices remain constant. Plantings in the last season were considerably higher than in 1960. The Salvadorean Government has applied to the United States for an increase in its annual export quota from 6,000 tons in 1960 to 13,000 tons this year.

The Ministry of Economy has now officially classified shrimps as El Salvador's third largest export, ranking next to coffee and cotton.

Industry Expands

As in certain other Central American countries, the Law for Industrial Development which came into force last January has provided effective encouragement to private investors. Under the new law, industries are classified as "new", "expanding", "necessary" and "useful". Generous concessions are granted, ranging from duty-free import of raw materials, machinery and equipment to complete exemption from taxes, depending on the industry's classification. The capital of such firms must be 51 per cent Salvadorean. According to official sources, nearly one hundred firms have benefited under that law. Following is a partial listing of industrial projects already completed, under construction or at the planning stage:

*Unless otherwise noted, all values are in U.S. dollars. One colon=U.S.$0.40.

This modern building in the heart of San Salvador, capital of El Salvador, houses many business offices. Smallest of the Central American republics, El Salvador has the largest number of industries, including textile plants, flour mills, tanneries and shoe factories. Industrial development is continuing at the present time.

- Investment of $4 million in match, textile and sugar factories.

- A project for a fair-sized fertilizer plant, well beyond the planning stage.

- A modern sugar refinery that began operations early this year and is now processing 230 tons of sugar a day.

- The Pan Lindo Bakery which received a $200,000 loan from the Inter-American Bank to expand its operations. This is a six-year loan bearing an interest rate of 5¾ per cent a year.

- A new modern flour mill, Molinos de El Salvador (MOLSA), that went into production at the beginning of the year and is expected eventually to supply two-thirds of the country's annual wheat flour needs.

- The planned establishment of a second soluble coffee plant by the Salvadorean Coffee Association.

- The setting up of a joint corporation by Shell of El Salvador and Esso Standard for the construction of an oil refinery with a daily capacity of 15,000 barrels. The refinery is expected to be ready to operate late in 1962.

Other Developments

The Government has approved a four-year National Plan for the spending of $12 million on highway construction, to be financed from external funds. The Plan includes widening of the Inter-American Highway and shortening and improving the highways to the ports of Acajutla and La Libertad. The new port of Acajutla on the Pacific was officially opened last April and the equipment should be fully installed by the end of the year. The Export-Import Bank has loaned $1 million for the purchase of dock equipment. The port (which may be declared a "free port") will be able to handle some 500,000 tons of cargo a year. A modern airport at Acajutla is in the planning stage.

Under the new Law for Land Reform, the Institute for Rural Colonization proposes to purchase some 135,000 acres of state and privately-owned lands for distribution among landless families. Further purchases are likely to follow.

The Government has announced that nearly half a million dollars will be spent on badly-needed improvements to San Salvador's municipal water-supply system, and INSAFOP (Salvadorean Institute for the Expansion of Production), a government entity, has approv a financial assistance progra calling for the expenditure $400,000 for agricultural and liv stock development and of $1 million for the expansion of vario industries.

Exports Increase

Statistics on Salvadorean forei trade are only available for the fi half of 1960. During that peric the country exported over $ million worth of goods and im ported some $55 million wort producing a favourable balance trade of $28 million. El Salvad usually enjoys a favourable balan of trade but the figure for t period of January-June 1960 impressive. No doubt the rath severe import and foreign exchan restrictions have been an importa factor. On the other hand, expor recorded during that period u doubtedly include some that we actually effected towards the end the previous year. There is som reason to expect, however, that th corrective measures the Director has taken to increase the foreig exchange reserves may have th added result of further improvin El Salvador's favourable balance trade.

CANADA'S TRADE WITH EL SALVADOR

	Canadian Exports to	Canadian Imports from
	(Can.$'000)	
1958	2,151	1,186
1959	2,567	3,900
1960	2,390	829

Source: Dominion Bureau of Statistics.

Best customer by far for Salvadorean products was the United States; next came Europe, particularly Germany, the Netherlands, and Japan. The same holds true for El Salvador's sources of supply. Japan is making its influence felt more and more in both export and import trade, especiallly as a supplier of low-priced consumer goods.

Trade with Canada

During 1960, Canadian exports to El Salvador decreased only slightly from the 1959 total but our imports from that country dropped steeply. The accompanying table shows graphically developments during the past three years in Canada's trade with this smallest of the Central American countries.

Our exports to El Salvador in 1960 consisted principally, as in past years, of newsprint (nearly 25 per cent of the total) and wheat flour (also about 25 per cent) but leather regained third place, followed closely by aluminum in primary forms and tallow. Canada's 1960 imports from El Salvador totalled a mere Can.$829,000, practically all coffee (over 90 per cent of the total) and cotton.

During the first five months of the current year, Canadian exports were down about 12 per cent from the corresponding figure in 1960. It is, of course, much too early to say what the result will be by the end of the year.

In both 1959 and 1960, coffee and cotton occupied first and second place on the list of Canadian imports from El Salvador. For the first three months of 1961, coffee maintained its traditional lead, shrimps came second in importance, and cotton fell to third place.

Outlook Is Mixed

Despite a fairly good beginning in 1961, the realistic forecast for the calendar year is for reduced Canadian sales, mainly because of the rapidly vanishing market for Canadian wheat flour in a country already converted to flour milling and because of the agreement recently signed between El Salvador and the United States, which seems likely to affect Canadian wheat sales to El Salvador seriously. This adverse effect may be felt during 1962 as well, since the United States will be supplying most of that country's wheat requirements until at least August of next year. Furthermore, Canadian exporters of leather should expect ever-increasing competition from Colombia and Uruguay. Unless the slack is taken up by sales of other commodities, Canadian exporters should expect reduced business for the remainder of 1961 and at least part of 1962. It is difficult to forecast much improvement for several months in view of the recently imposed restrictions on foreign exchange. In brief, the short-term prospects for Canadian exports to El Salvador are not good, but raw materials and low-priced consumer goods should stand the best chance. ●

Guatemala

Government is fostering new agricultural and industrial projects; exchange reserves are rising; foreign investment is being encouraged. Canadian suppliers are facing competition from United States, German and Japanese exporters.

H. E. LEMIEUX, *Trade Commissioner, Guatemala City.*

DESPITE the continuing slump in world prices for coffee and comparatively poor growing conditions and markets for bananas, (these two are the country's principal sources of foreign exchange), most sectors of the Guatemalan economy now show gratifying signs of recovery from the recession that began in 1958. In fact, most indicators for the current year point to an improvement in both the economic and political situation.

From a low of $40.3 million* at the beginning of 1960, the total gold and foreign exchange reserves held by the Central Bank of Guatemala had risen to $50.3 million by the end of the year and they are still slowly but steadily increasing. The International Monetary Fund has indicated that Guatemala's fiscal position has improved significantly during the past year and the standby credit of $15 million that the Fund granted in June 1960 has not been used. The floating debt—which at the end of the budget year in 1960 stood at $18 million—was, with the help of a $10 million loan granted by the United States Government, nearly

*All values in U.S. dollars unless otherwise specified.

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liquidated entirely by the end of last December.

These improvements stemmed from the Government's austerity program, more effective tax-collection methods, credit restrictions, better planning of public expenditures and increased industrial development. The latter was encouraged by attractive legislation, supported by the imposition of higher duties to curb imports and spur local industry to greater efforts.

Development Proceeding

The budget for the Guatemalan 1961-62 fiscal year (July 1st to June 30th), as approved by Congress, totals $121 million, $17 million more than for the previous fiscal year. Much of it is earmarked for highway construction, diversification of agriculture, expansion of the cattle industry, and various public works, including hydroelectric power and housing developments.

In July 1960 the Government approved the 1960-1964 Four Year Plan which calls for public investment totalling $170.5 million on a wide range of economic projects, to be financed by the National Treasury, foreign loans, and domestic bond issues. Some 40 per cent of this investment will go into road construction; other projects include the improvement of seaport and airport facilities, hydroelectric and irrigation programs, and agriculture.

Because of intelligent and effective legislation, the agro-pastoral industry is undoubtedly the one to look to for continuing improvement and for increasing importance in the Guatemalan economy. Output of cotton, corn, rice, coffee and (to a lesser extent) wheat are all increasing, in part because of the land reform program, although the climate limits wheat production both in volume and varieties.

Because of steadily falling coffee prices, the Government is endeavouring to diversify agro-pastoral output, with some measure of success. For example, Guatemalan sugar exports, which were nonexistent only a few years ago, will probably total at least 20,000 tons to the United States alone in 1961. The cattle population, estimated at 900,000 head in 1956, has grown to nearly 1.25 million. The meat-packing plant EXGUAPAGRA began exporting frozen beef to the United States last May and it is installing a cold storage plant with a capacity of 80,000 pounds at the port of Matias de Galvez. Beef production has currently reached an all-time high of 33,500 tons and prospects are that this figure will rise.

Expansion of Industry

The index for industrial production increased by 6 per cent in 1960, mainly as a result of the Law for Industrial Development. The strong incentives it provides has encouraged the local investment of millions of dollars and as a result, production of foodstuffs (Guatemala is now self-sufficient), tobacco, electricity, tanned leathers, chemicals, textiles and cement have made substantial gains. Exceptions are the lumber, clothing and beverage industries, in all of which output has declined slightly.

Nearly 200 existing or new industries have applied for the fiscal and other advantages available under that law and some 25 per cent of applications, covering a wide range of light industries, have been approved. Many of these plants have begun manufacturing; are turning out kenaf sacks, paper bags, fluorescent lamps and other electrical products, paints, plastic sheets, fiberglass boats, metal furniture, toys, hats, cotton goods, animal feeds and concentrates. Others that are just beginning production or will do so soon include plants to make nylon stockings, lingerie, cotton textiles, tin containers of various kinds, bottle caps, macaroni products, glass and wood products.

Foreign investment is also pected to increase as a result a law which, when approved Congress, will protect all priv investment, whether local foreign, against illegal exprop tion.

The following is a partial list of factories that have already b established since the Indust Development Law was appro and of other plants planning p duction within the near future.

• A Japanese firm, Toyo Dry B tery Co., has set up a factory produce flashlight and radio b teries. Initially, the plant will p duce only 1½ volt batteries at rate of 500,000 units a month, its capacity is for twice t amount. Eventually it will a make radio batteries. This fi has been operating a barbed wi nail and staple factory since 19 and it has plans for three ad tional plants to produce machet ceramic products and transist radios.

• Last March, the Arrow organi tion opened plants to produce t usual styles of dress shirts. It currently importing raw materi but is planning to use local manufactured textiles in the ne future.

• The local brewery has invest $1 million in a glass bottle facto scheduled to begin production ne year.

• REPEGUA, the Refineria Petroleos de Guatemala, is buildi a refinery at the port of Matias Gálvez that should be in operatio by the end of next year.

• The Guatemalan Governme has called for tenders on the seco development stage of a port the Caribbean-Atlantic. Include are the construction of a doc warehouses and a breakwate dredging, and the supply of carg handling equipment.

Last July the United Nations Special Fund and the Guatemalan Government reached an agreement under which an extensive survey of the country's hydroelectric and irrigation potential will be undertaken. The survey will cost a little less than a million dollars, including the Guatemalan Government's share. The contract has been awarded to the consulting engineering firm of H. G. Acres & Co. Ltd., of Niagara Falls, Ontario, for the hydroelectric power part of the study; engineers from the Netherlands will conduct the irrigation survey. Work is already under way and the Acres company expects to complete its contract within the next two years.

Foreign Trade

In 1960, Guatemala again had a deficit in its over-all trade, as the accompanying table shows.

GUATEMALAN FOREIGN TRADE

	1959	1960
Imports	$134,002,641	$137,759,432
Exports	103,219,079	112,620,981
Balance of trade	—30,783,562	—25,138,451

The leading market for Guatemalan exports was (as in past years) the United States, which absorbed over 55 per cent of the total. The next best customer was Germany (about 20 per cent of the total), followed by Japan, the Netherlands, El Salvador and Canada, in that order.

Guatemalan imports in 1960, which were only negligibly higher in value than for the previous year, came chiefly from the United States (some 52 per cent), Germany (about 12 per cent), the Netherlands Antilles (practically all petroleum products), Japan, El Salvador and Canada. The Guatemalan Government has banned all imports from Communist countries.

The trend is towards a better distribution of Guatemala's import and export trade and the diminishing of the importance of the United States as a market and as a supplier, with Germany and Japan gaining ground.

Canada's Trading Position

Canada in 1960 bought more from Guatemala than she sold to her and the figures for the first few months of the current year clearly indicate a continuation of the trend:

CANADIAN-GUATEMALAN TRADE

	1959	1960
	(Can.$'000)	
Canadian imports from Guatemala	2,718	3,256
Canadian exports to Guatemala	2,627	2,106

Source: Dominion Bureau of Statistics.

During the first five months of 1961, Canadian exports to this country were valued at $825,017 compared with $822,996 in the same period of 1960, and imports for the first four months, at $1,198,360, were up from $1,044,778 in 1960. There is reason to believe that when the returns for the entire year are in, they will show a significant improvement in Canada's trading position. But to increase their share of this market, Canadian exporters will have to offer prices competitive with those of United States, European and Japanese suppliers, offer good and regular delivery dates, and most important, grant much more generous credit facilities than in the past. ●

Honduras

Energetic sales efforts might well increase Canadian shipments to Honduras, despite the disappearance of preferential tariff rates on some of our leading exports there, including leather and flour.

K. D. TAYLOR, *Assistant Trade Commissioner, Guatemala City.*

AN improvement, though slow, in Honduras business conditions is forecast for the next few years. Encouraging factors are the emergence of the Central American Common Market, the gradual recovery of the banana industry from last year's setbacks, and the implementation of the vast Rio Lindo hydroelectric project. On the negative side, however, the economy of the country still suffers from serious ills, though it is no longer stagnant. Credit is tight, unemployment continues in some areas, and investment has increased only slightly. Some industrialists fear, moreover, that the program for equalization of duty rates—part and parcel of the Central American Common Market Agreement—may affect them adversely.

Agriculture

Although the Government is attempting to diversify and increase agricultural crops and encourage industrial expansion, bananas are still the basis of the economy. The lack of any significant improvement in agriculture during the past few years can be put down to the blowdowns, plant disease, price fluctuations and, to some extent, labour problems suffered by the banana industry. The Standard Fruit Company, faced with continuing financial losses and renewed demands for

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higher wages, had been seriously thinking of closing down its operations altogether this year. The company attributes its difficulties to high overhead costs, Panama and other plant diseases, and perhaps even more, to ever-stiffening competition from Ecuador. It is now realized that the Giant Cavendish banana grown in Honduras can barely compete with the Gros Michel variety which accounts for most of the Ecuadorian crop. Among the measures adopted by Standard Fruit to salvage its operations in Honduras are the extension of the current labour contract until February 1962, a reappraisal of production and marketing techniques, and drastic attempts to reduce overhead costs. Forecasts for the 1961 crop are encouraging and production is expected to exceed last year's 10.8 million stems by 20 per cent.

Coffee, cotton and livestock production has offered some scope for agricultural diversification. Coffee production during the current crop year is expected to double last year's, acreage planted to cotton has increased by 125 per cent, and frozen beef exports to the United States are expected to rise in value by 150 per cent.

Industrial Progress

In the industrial sector, a number of new plants, including a paint factory and a brewery, have recently been established. Planning is well advanced for a factory to turn out cement blocks and allied products for prefabricated houses; a coffee-grinding installation, a food freezing plant, and a plant to manufacture bedding materials are planned. The much hoped for and much needed pulp and paper plant has so far failed to materialize; the National Bulk Carriers and the Honduran Government are still negotiating for an agreement acceptable to both Government and investors. The UN Special Fund, with the Food and Agriculture Organization as executive agency, has approved a $350,-000* grant, principally to survey Honduras pine forests; aerial surveys and forest conservation measures will be carried out.

First contracts have been awarded on the Canaveral stage of the Rio Lindo hydroelectric project—to a Japanese firm for the supply of turbines and a U.S. firm for excavation and similar works and the power station itself.

Foreign Trade

The suspense and uncertainty that prevailed in the Honduran economy during 1960 and are expected to persist for a short while at least were in good part responsible for the unfavourable balance of trade during the past year. Exports in 1960 dipped to $62.4 million from $67.2 million in 1959 and imports increased to $64 million from $61.8 million. The fall in exports must be attributed largely to a slump in the banana trade; banana exports dropped from $32 million in 1959 to $28.6 million last year. Other leading exports were: coffee $13.3 million, timber $8.4 million, silver $2.3 million, and cattle $1.3 million. The United States, traditionally the main supplier, had provided nearly 60 per cent of total imports up to the end of October 1960. Other principal suppliers were Japan, Germany, El Salvador and the United Kingdom.

Despite the fall in exports, holdings of foreign exchange and gold by the Central Bank stood at $13.3 million at the end of last year compared with $12.4 million at the end of 1959. However, the 1960 figure includes a U.S.$5 million stabilization credit extended by the International Monetary Fund.

Trade with Canada

In contrast to this over-all downward trend, total trade between Canada and Honduras increased in value from $3.85 million in 1959 to $4.77 million in 1960 (see table).

Upper leather sales rose to $451,-412 from $288,180 in 1959 and accounted almost entirely for t[he] improvement in Canadian expor[ts]. Values for other leading expo[rts] are given in the accompanyi[ng] table.

CANADA-HONDURAS TRADE

	Canadian Exports to Honduras	Canadian Imports fro[m] Honduras
	(Can.$'000)	
1959	945	2,904
1960	1,416	3,352

CHIEF CANADIAN EXPORTS TO HONDURAS

	1959	196[0]
	(Can.$'000)	
Wheat flour	146	130
Malt (mostly brewers')	40	51
Electrical appliances	7	94
Drugs and chemicals	19	78
Calcium compounds	27	77

A development with implicatio[ns] for future Canada-Honduras tra[de] was the abrogation of the Unit[ed] States-Honduras Trade Agreeme[nt] of 1935 early this year, as a co[n]sequence of Honduras' membersh[ip] in the Central American Comm[on] Market. Canada's most-favoure[d]-nation agreement with Hondur[as] had entitled Canadian exporters [to] the Honduras preferential rates [of] customs duties on leather, whe[at] flour, tires, canned sardines a[nd] salmon. Although these preferenc[es] disappeared when the United State[s]-Honduras agreement was terminat[ed] last February, Canadian exporte[rs] will continue to receive mos[t]-favoured-nation treatment. Canad[ian] leather exporters may find som[e] consolation in the Law of Co-Ope[r]ative Associations of 1954, whic[h] allows imports of upper side leath[er] into Honduras duty-free, regardle[ss] of the country of origin. But the lo[ss] of Canada's duty preferences mea[ns] that exporters of the commoditi[es] included in the former agreeme[nt] will have to be more competiti[ve] in price than ever if they are [to] maintain their sales there.

During the first quarter of th[is] year, Canadian exports to Hondur[as] decreased in value to $307,09[.] compared with $358,672 for th[e]

*All figures are in Canadian dollars except where otherwise specified.

same period in 1960. But little change is expected in the over-all value of Canadian-Honduran trade despite the disappearance of customs tariff advantages and the slow pace of Honduran economic recovery. Some Canadian goods, such as raw materials and low-cost consumer products, should continue to hold their own, and with energetic sales efforts Canadian exporters might well improve their position. ●

Nicaragua

Export and import trade, including that with Canada, slumped last year; crops were poor and prices depressed; heavy rains brought floods. Today the outlook for the important export crops has improved and new industries are springing up.

F. D. TAYLOR, *Assistant Trade Commissioner, Guatemala City.*

NICARAGUA has overcome some of the problems it faced during the past three years and the economy should begin to improve. In 1960, poor crops, depressed prices for export products, torrential rains and floods combined to strike a crippling blow. Added to these difficulties was some uncertainty in the political field and this affected the business community.

It was rumoured that a devaluation of the cordoba was pending, but this proved incorrect and the end of the year was reached without drawing on the U.S.$7.5 million stabilization loan granted by the International Monetary Fund. Extraordinarily high prepayments for coffee and gains in sugar exports put foreign exchange reserves at U.S.$8.9 million by December 31, 1960, compared with $7.6 million at October 31. This enabled the Government to defer a drawing on the standby credit until January 2, 1961, when it drew down $1.5 million.

Strong opposition to Nicaragua's participation in the Central American Common Market has been voiced by a large group of Nicaraguan industrialists. They claim that under the treaty, industry in Guatemala and El Salvador will thrive at the expense of industry in Nicaragua. Even those who support participation feel that Nicaragua will not receive any short-term benefits.

Agricultural Prospects Improve

Brighter prospects for coffee and cotton, Nicaragua's main export crops, should make this year a better one. Coffee yields for the 1960-61 season reached about 30,000 tons, a gain of 25 per cent over 1959-60. Nicaragua will be allowed to export almost 88 per cent of the crop, and the new soluble coffee plant will buy most of the remainder. Cafe Soluble began production early this year and has already obtained a $300,000 order from the United

This thermoelectric plant, with a 30,000 kw. capacity, is at Managua, capital of Nicaragua. Altogether the country has electric power plants with a total installed capacity of about 46,000 kw.

States for its instant coffee. The Government and the coffee growers are making strong efforts to increase the yield and raise the quality of Nicaragua's coffee because currently it sells at U.S.$34.50 per quintal (one quintal equals 101.4 pounds) compared with the $37.50 per quintal obtained by the other Central American coffee producers.

Floods and the boll weevil played havoc with the 1959-60 cotton crop. Fortunately, this season's is expected to reach about 135,000 bales, 19 per cent larger than the previous one.

The sugar crop is also expected to top last year's figures; estimates range from 1.5 to 1.7 million quintals, five-sixths of which is slated for export. In fact, if markets are available in 1962, sugar exports could reach 65,000 tons.

The livestock and fishing industries are playing an increasingly important rôle in Nicaragua. The wisdom of striving to improve the breeding standards for cattle and of modernizing the Matadero Modelo meat-packing plant is evident in the 1960 export statistics; exports of live cattle and chilled and frozen meat earned approximately U.S.$4 million in foreign exchange, an increase of roughly $500,000 over 1959.

Exports of shrimp to the United States are rising and in the first half of 1960 over 220,000 pounds were shipped. Twenty-two shrimp boats operate out of Bluefields, where the freezing and processing plant is located.

Industry and Development

A number of industrial projects are either under way or in the planning stage. Most of the plants have benefited under the law for the Protection of Local Industries that grants exemptions from customs duties for machinery and equipment. Some of these projects are:

- A flour mill, to be built in Chinadega and financed on a fifty-fifty basis by local capital and General Mills, is expected to produce enough wheat and corn flour for domestic needs. It has a planned capacity of 80 tons a day.

- A cement factory is under construction with a planned capacity of 15,000 cubic meters a year.

- A new brewery, partly financed by Fox Head Brewery of the United States, will start operations shortly.

- A leather goods factory directed by Hickok of New York is scheduled to begin production this year.

- The Rio Tuma hydroelectric power development will provide a basis for future industrial growth. When the first stage is completed in 1965, generating capacity will be raised by 50,000 kw. La Société de Grands Travaux de Marseilles, with a bid of U.S.$3.3 million, was awarded the contract for construction of the El Mancotal dam. This phase of the project includes tunnel excavation, construction of the dam, and complementary works.

- The roadbuilding program, which is assisted by U.S. loans and credits totalling $9.1 million, calls for construction of 90 miles of new highway, as well as access roads to agricultural areas. Highway maintenance equipment will be bought from the U.S.

Foreign Trade

Nicaragua's 1960 exports totalled U.S.$63.3 million, a drop of U.S.$9.0 million from 1959. Imports remained the same, at U.S. $57 million. Figures for the first five months (detailed figures for the full year are not available) show that the United States, Germany and Japan were again the chief suppliers. The same countries plus the Netherlands Antilles and Surinam were Nicaragua's principal markets in the same period. The import licensing system was recently amended to provide for a prior import registration certif before exchange for imports car bought.*

Canada's trade with Nicara also slumped in 1960. Our exp dropped to Can.$1.3 million fi Can.$1.5 million in 1959, p cipally because of smaller sales upper leather ($84,000 compa with $123,000), and of drugs chemicals ($35,000 compared v $212,000). On the other hand, year Canada bought less co and no cotton from Nicara and our total imports fell fr $306,377 to $169,970. Canad exporters should benefit from N aragua's gradual economic gro and the slight increase in per ca income.

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*See article "Nicaragua's Import Licen System" in the September 9, 1961, issu *Foreign Trade*.

PRINCIPAL CANADIAN EXPORT TO CENTRAL AMERICA

	1959	1960
	(thousands of doll	
Total exports	**14,311**	**13,91**
Of which:		
Wheat, n.o.p.	334	9
Flour of wheat	3,656	3,18
Malt	473	53
Whisky	231	17
Rubber tires	503	43
Upper leather	877	1,01
Newsprint paper	1,548	1,60
Manufactures of paper	478	46
Milk powder	133	42
Bookkeeping and calculating machines	237	24
Copper wire, insulated	198	31
Antibiotics	171	51
Medicinal preparations	615	47

PRINCIPAL IMPORTS INTO CANAD FROM CENTRAL AMERICA

	1959	1960
	(thousands of dolla	
Total imports	**23,527**	**18,01**
Of which:		
Bananas	16,483	13,547
Coffee, green	3,176	3,317
Raw cotton	2,922	nil

Panama

Record revenues from the Canal and other invisibles help to finance large import trade. Canadian exports down slightly last year, but projects mooted should mean new opportunities in months ahead.

D. TAYLOR, *Assistant Trade Commissioner, Guatemala City.*

NEXT year holds promise of better sales opportunities for Canadian exporters to Panama. A large and elaborate program of social improvement financed by the United States Government and an ever-increasing flow of traffic through the Panama Canal suggest greater prosperity in the future.

The Inter-American Development Bank plans to lend Panama $5 million* for development projects. Housing projects, water supply and sewerage schemes in the capital and a regional hospital system for the central provinces are among the plans. The Institute of Housing and Planning, a Panamanian Government agency, has requested loans from the same bank for building additional housing. In the meantime, the Development Loan Fund has approved a $1.5 million loan to assist in a program of long-term mortgages for medium-cost housing. Because these loans will be used over a number of years, the economy will not be seriously dislocated.

Although several Canadian firms are already actively involved in the proposed housing schemes, there are still good opportunities for further participation in projects financed by the loans.

The number of ships using the Panama Canal for the fiscal year ended June 30, 1960, reached a record 11,000. During that period Isthmanian tolls reached 51,800,000, an increase of $5 million over collections during the 1959 shipping season.

*Note: All values given in this article are in U.S. funds except where otherwise specified.

Traffic of such proportions has aroused speculation on major improvements to the Canal or the construction of another one elsewhere on the Isthmus. Current efforts have centered around widening of the great Gaillard Cut, improvement of communications, the replacement of towing "mules" by locomotives, and the increase of night traffic.

Industrial Development

Panama is continuing to establish new industries. A paper-bag plant, a petrochemical refinery, and a can factory are all currently under construction. The paper bag and the can factories offer attractive sales opportunities for Canadian suppliers of pulp and tinplate.

A disappointing development for Canadian mining and machinery suppliers was the unsuccessful oil-exploration efforts of the Panama-Delhi Petroleum Co. After drilling to a depth of over 10,000 feet in Darien, the hole was abandoned as dry and the company is uncertain whether to continue its exploration activities at the same pace.

Foreign Trade

Canal toll fees, United States payments and other invisible items allow Panama to spend over four times as much for its imports as it receives from total exports. The following table illustrates this feature of its trade.

PANAMA'S FOREIGN TRADE

	1958	1959
	(U.S.$'000,000)	
Imports	93	98
Exports	21	22

During 1959 the United States supplied about 50 per cent of Panama's imports. West Germany, the United Kingdom, Japan, and Canada were the other leading suppliers.

As in Honduras, bananas bulk large in Panamanian exports. Export of bananas accounted for roughly 65 per cent of total receipts from export sales in 1959. Shrimps are rapidly becoming a major source of foreign exchange and provided 14 per cent of 1959's exports, the second most important export product. Canada continued to play an important rôle in Panama's international trade in 1960, as the following Canadian figures show:

CANADIAN-PANAMANIAN TRADE

	Canadian Exports to Panama	Canadian Imports from Panama
	(Can.$'000)	
1959	4,023	8,888
1960	3,702	6,066
1961 Jan.-April	1,351	1,675

Wheat flour, newsprint, whisky, razor blades, antibiotics and medical supplies were the chief Canadian exports. Bananas constituted the main Canadian import from Panama, although our purchases dropped about $3 million in 1960 from 1959.

Future Prospects

A move that might affect the industrial community would be Panama's participation in the Central American Free Trade Area. The Government has announced that it favours becoming a member but wants first to ascertain the views of the business community. Like its neighbour to the north, Costa Rica, it favours a cautious and gradual approach to the proposal. In the meantime, discussions are being held with Costa Rica and Nicaragua on the establishment of a preferential trade agreement. ●

Central American Service Set Up

A Canadian shipping line is now providing regular monthly service from Montreal and the East Coast to three Central American ports. This should improve the competitive position of our exporters.

H. E. LEMIEUX, *Trade Commissioner, Guatemala City.*

LAST June, Lunham and Moore, Montreal, managers of the Canada-Jamaica Line,* inaugurated a direct service from eastern Canadian ports to Puerto Barrios, the Guatemalan port on the Caribbean-Atlantic, and to Belize, British Honduras. The new service is an extension of its regular run between Canada and Jamaica. The enthusiastic response both from Canadian exporters and Central American importers prompted the Line to extend its service to Puerto Cortes, Honduras, beginning October 6. A further step in serving Central American ports—the extension of service onward to Puerto Limon—is currently being studied by the line. If this is done, it will help exporters to Costa Rica as well.

Regular Service Established

Canada-Jamaica Line ships sail at 14-day intervals to Kingston, Jamaica, departing from Montreal in the summer months and from Saint John, N.B., and Halifax, N.S., in the winter. Each alternate vessel sails beyond to Puerto Barrios, Belize and then to Puerto Cortes. Calculating time on the basis of two days spent in loading at Montreal, 11 days in steaming to Kingston, Jamaica (via Halifax), five days spent in discharging cargo at Kingston, and three days travelling to Puerto Barrios, the scheduled transit time from Montreal to Puerto Barrios is 21 days. Calls are also made at Matias de Galvez, two miles from Puerto Barrios, as business warrants. Thus for the first time in some years Canadian exporters to Central America can rely upon a regular monthly service from Canadian to Central American ports.

Facilities for onward transmission of cargo at these ports are good. From Puerto Barrios, the International Railways of America (IRCA) operates a railroad service to Guatemala City, San Salvador, and intermediate points. The Guatemalan and Salvadorean division of IRCA are interconnected. Hence El Salvador, which has no direct outlet on the Caribbean-Atlantic, has access to Puerto Barrios for its import and export traffic. Like most railroads in Central America, the IRCA was built by the fruit companies or by groups of investors closely connected with these companies. This applies also to the Ferrocarril Nacional de Honduras, the Tela Railroad Company, and the Standard Fruit Company Railroad. The Northern Railway of Costa Rica is affiliated with, or administered by, the fruit companies on long-term concessions from the various Central American Governments.

The general rule in this area is that ports are operated by the railroads. One exception is the port of Matias de Galvez in Guatemala (sometimes called Santo Tomas) which was built by the Government and connected by a modern highway with Guatemala City, some 180 miles away. Early in October, bids for the extension of the existing pier, dredging, and other ancillary works will be opened, and it is expected that the trucking service from Galvez to Guatemala City and other commercial centres will considerably improved in the n future. There are immediate pl for similar improvements to tru ing services in Honduras.

Port Facilities

Puerto Barrios—The discha facilities are satisfactory for the n mal volume of import cargo. Shi gear is used for unloading. Rail s vice is available to ship's side. T work soon to be undertaken at port of Matias de Galvez will u doubtedly improve facilities a congestion, particularly during t coffee-exporting season, should relieved. Net slings for general car and platform slings for fibre bo are used. Fork-lift trucks and ot equipment are available. Goo must be packed to provide ma mum protection.

Puerto Cortés—The terminal h a rail service. Ship's gear is used discharge and rope and net slir are employed for general car Tarpaulins are available and m chinery, automobiles and simil products are put in open stora The area is fenced-in and provid with watchmen. Extra-safe packi should be provided as protecti against the weather and pilferage.

Puerto Limon—Rail service ship's side is provided. Ship's ge is used for unloading, tarpaulins a available, and galvanized pip heavy cases, etc., are stored in open but protected area. Open slin are used for general cargo and pa lets for fibreboard boxes and oth fragile cargo. There is no port co gestion. Prompt delivery to co signees is strongly recommended protection against pilferage.

Canada's Position Improved

Most Canadian exporters wi experience in selling to this ar realize the importance their cu tomers place on regular deliveri of goods. The Guatemala City offi of the Trade Commissioner Servi

*Booking agents for the line are Kerr Steamships Limited.

ɔmetimes receives complaints about ɔw delivery and the arrival of ɨipments in poor condition, partly ɛcause of poor handling and in-ɨfficient supervision of unloading ɨ the port of destination. The ɑnada-Jamaica Line has main-ɨined a regular service to Kingston ɨr some time and it is expected ɨat it will provide shippers with ɨ equally efficient one to these ɛntral American ports, with re-ɑble deliveries. Transhipment will ɔ longer be necessary and this too ɨll save time and the risk of ɑmage. Goods in Central America ɛe usually bought on a c.i.f. basis ɑd importers are anxious that their ɨurchases should be in transit as ɨort a time as possible. Thanks to ɨe new service, delivery time to ɔsta Rica has been cut to three ɛeks and to the other Cen-ɑl American ports it has been ɔortened considerably.

Because of the lack or the in-ɗequacy of direct shipping services ɔom eastern Canada to the Atlantic ɔast of the Central American coun-ɨies, a substantial proportion of ɑnadian exports to these markets ɨ routed via United States ports. ɨ 1959 (the last year for which ɑtatistics are available) the dollar ɑlue of exports routed through ɨnited States ports was $1 million ɔ Costa Rica, $1.1 million to ɨuatemala, $700,000 to Honduras ɑd $1 million to British Honduras. ɨhe proportion of total exports go-ɨg to each market via U.S. ports ɑs 50 per cent or higher.

ompetitive with U.S. Rates

Canadian exporters currently ɛnding their shipments through the ɨnited States and others who have ɔund they are not competitive in ɛntral America might well take a ɔok at the opportunity for direct ɨipment from Canada that the new ɨhipping service provides. The ɛeight tariff established by the ship-ɨing line offers ocean rates competi-ɨve with those out of U.S. Atlantic ɔorts. Under the existing system of ɑil-rate relationships, export rates ɔ Saint John and Halifax are the same as those to New York and Boston. Export rail-rates to Montreal are either equal or lower. Manufacturers with plants close to ports of loading on the St. Lawrence and the Atlantic will find a substantial rate advantage in moving their goods only the comparatively short distance to shipside by road transport or by railway at export or domestic rail-rates, whichever offers the lower freight cost.

A substantial proportion of imports into Canada from Central America is also routed through United States ports. The new shipping service offers opportunity for direct import into Canada on return voyage. Importers too might find it worthwhile to explore the possible economies in bringing their goods directly into St. Lawrence and Atlantic ports. ●

British Honduras

A direct shipping connection, preferential rates on Commonwealth imports, and the exchange rate differential combine to give Canadians an edge in selling to this small, price-conscious market.

C. G. BULLIS, *Acting Trade Commissioner, Kingston.*

LAST March the people of British Honduras went to the polls to choose 18 representatives who, with five nominated and three official members, would form the country's first government under its new constitution, granting the Colony complete internal self-government. The party headed by Mr. George Price, who had pledged himself and his party to full membership within the Commonwealth, won all 18 seats.

Production Summarized

British Honduras has until recently been a one-crop economy; it is now beginning to reap the rewards of the efforts made by government officials to achieve diversification. Current measures to attract light industry include special tax incentives and duty-free entry of industrial equipment. One firm is already in production and two others are in the process of getting established. Although the industrial sector is not expected to expand rapidly, a firm base has been laid on which it can build.

Agriculture—Timber, once the population's sole means of livelihood, barely held its position as chief export during 1960; unless the citrus and the sugar industries experience very severe setbacks, they should take over first and second place respectively during 1961/62. Production of fresh vegetables, poultry, and eggs has increased rapidly and imports of these have almost disappeared. Plans for a new abattoir are under way, although animals to keep it going will probably not be raised in sufficient numbers for at least another two to four years.

Forestry—British, U.S. and Canadian interests have joined in setting up an industry to extract resin from pine stumps. Raw materials are readily available. The plant will be situated south of Belize and will export to North America; this will bolster the sagging earnings of the lumber industry until such time as

CHIEF EXPORTS

	1958	1959	1960
(in B.H.$'000)			
Timber	3,290	3,270	3,720
Citrus	1,800	1,790	3,130
Sugar	1,310	2,240	2,100
Chicle gum	650	620	610
Fish and lobster	240	260	300

CHIEF IMPORTS, 1960

(in B.H.$'000)

Total imports	**18,784**
Of which:	
Food	5,400
milk	900
flour	800
rice	500
beverages	450
meats	420
lard	350
other dairy products	320
Manufactured goods, materials	3,900
Machines and vehicles	3,400
Manufactured articles	1,900
Chemicals	1,500
Fuel	1,300

the mahogany forests can be replaced. The other avenue open to British Honduras is to find markets for the large quantities of secondary hardwoods and softwoods that it has on hand. Forestry officials are at present investigating the matter and experimenting to determine whether balsa, a fast-growing species of softwood, could be successfully introduced into the country.

Trade Outlook

British Honduras has traditionally had an unfavourable trade balance —it averaged B.H.$8.9 million in the three years 1958/60—but the expanding citrus and sugar industries and the potential importance of resin and clothing exports make future prospects much brighter. Exports in 1960 reached B.H.$11.2 million compared with $9.6 million in 1959, and imports dropped to B.H.$18.8 million compared with $19.6 million in 1959. The trade deficit thus dropped to B.H.$7.6 million from $10 million the year before.

It is agriculture, however, that appears to hold the most promise for the fôreseeable future, as the table of chief exports on the left shows. Local production is being developed both for home consumption and for export.

Chief imports last year are given in the accompanying table.

Opportunities for Canadians

Canadian exports to British Honduras increased in value from $289,000 in 1959 to $409,000 in 1960. The products included a variety of manufactured goods, ranging from power saws and motor cars to canned foods and paper bags. The most important commodities were tires, cotton fabrics, milk powder, wooden staves, flour, and canned soups (in that order). Although stiff competition can be expected from suppliers in the Southern United States, Canadian companies are now in an excellent position to win a larger share of the mark[et]. A 12½ per cent margin of pref[er]ence on most products from Co[m]monwealth countries, plus [the] present 3 per cent differential [in] the exchange rate, give Canadi[an] exporters an advantage. Opportu[ni]ties do exist, although Hondur[an] imports are small and quality is [not] as important as price.

One of the main stumbling-bloc[ks] in Canada-British Honduras tra[de] in the past has been the lack of direct shipping connection. T[he] situation altered with the decisi[on] of the Canada-Jamaica Line to c[all] at Belize en route to ports in Ce[n]tral America. The new service h[as] opened up the entire Central Ame[ri]can area to Canadian firms, whi[ch] previously were at a decided d[is]advantage because of transhippi[ng] costs. ●

Puerto Rico

All sectors of the economy expanded in 1960 and net income ros[e]. Import and export totals were up; Canada's sales also improve[d]

W. B. McCULLOUGH, *Commercial Counsellor, Ciudad Trujillo.*

PUERTO RICO had another good year in 1960 and 1961 should prove even better. The Department of Finance reports that for the fiscal year ended June 30, 1960, its net income totalled $1,311 million, 9.4 per cent above the previous fiscal year. Earnings from commercial activity increased by 12 per cent, from manufacturing by 16 per cent to $289 million, and from agriculture by 3 per cent to $180 million, in spite of a drop in sugar production because of bad weather. The per capita income, one of the highest in Latin America, rose by 11 per cent to $571.

By the end of June, the numb[er] of factories established under t[he] Economic Development Administr[a]tion had reached 596 and incom[e] from them rose by 27 per cent [to] $155 million.

Puerto Rico is popular with tou[r]ists and this trade is helped by a[ir] transport from the United States. [It] is attracting vacationers from th[e] north during the summer months [as] well as in the winter. Hotel occ[u]pancy is over 75 per cent throug[h]out the year and near capaci[ty] during the peak months of Janua[ry] and February. Some 343,737 tou[r]ists visited the Island during th[e]

PUERTO RICAN IMPORTS, 1960

(millions of U.S. dollars)

Total imports	**912**
of which:	
United States	760.8
Venezuela	60.4
Canada	13.7
United Kingdom	7.4
Belgium and Luxembourg	7.0
Netherlands Antilles	6.2
France	5.3

960 fiscal year, a 31 per cent in-ease over the previous year. evenue from the tourist trade is timated at $51 million.

reign Trade

Puerto Rico's imports rose during te 1960 fiscal year and reached a tal value of $912 million, com-ared with $808.7 million in 1959. xports were higher too—$611.8 illion compared with $503.2 mil-on. The United States continued t dominate the trade because of te close ties and the absence of stoms duties between the two untries. Of total imports, the nited States supplied $760.8 mil-on but the remainder, $151.2 illion, indicates that the market is no means closed to other coun-tes.

Of its total exports of $611.8 illion, Puerto Rico shipped $594.3 illion worth to the U.S. and $17.4 illion to all other countries. Cana-an purchases totalled $1.3 million.

During the calendar year 1960, anada's sales to Puerto Rico were lued at Can.$11.2 million, com-red with Can.$10.5 million in 59. Leading our exports were nstruction lumber, (such as hem-ck and Douglas fir) at Can.$3.8 illion, and fisheries products ainly dried salt cod from New-undland) at Can.$3.6 million. th these figures were up slightly om 1959. Canada's principal ex-rts are shown in the accompany-g table.

Because Puerto Rico is part of te United States, there are no tariff trade barriers between that coun-y and the Island. The U.S. tariff plies to all foreign goods imported from abroad and the currency used is the U.S. dollar. Puerto Rico imposes no import or exchange controls but, like others in the Caribbean area, it is a price-conscious market; most importers ask, "What is the unit cost c.i.f., plus duty?" Canadian exporters of raw and semi-processed materials for industry can find a good market here. ●

PRINCIPAL CANADIAN EXPORTS TO PUERTO RICO

	1959	1960	1961 Jan.-May
	(in Canadian dollars)		
Total exports	**10,521,559**	**11,171,852**	**5,148,815**
of which:			
Potatoes, except seed, n.o.p.	173,972	1,000	9,470
Malt	491,834	482,155	160,198
Pollock, dried salted	420,802	481,075	189,701
Cod, salted	2,271,469	3,114,919	1,377,527
Haddock, pollock etc., frozen	25,517	13,557	6,200
Lumber	3,390,460	3,844,154	1,775,717
Newsprint	1,524,610	1,079,470	471,453
Passenger autos	358,115	486,324	172,684
Copper, rods, strips, sheets	117,693	75,412	55,437
Copper tubing	311,477	469,578	137,730
Electrical apparatus, n.o.p.	264,112	2,113	....
Whisky	98,117	78,924	17,311
Oats	94,368	126,380	41,194

Dominican Republic

Cured fish and wheat dominated our exports to the Republic in 1960, and we sold petroleum products there for the first time. The market is small but open to a wide range of competitive products.

W. B. McCULLOUGH, *Commercial Counsellor, Ciudad Trujillo.*

THE assassination of Generalissimo Trujillo shocked Dominicans but did not cause the panic or disturbance in the business community that was at first feared. Law and order prevailed throughout the country, with business as usual.

The business recession in the Republic continues, largely because of low world prices for the principal export crops (sugar, coffee and cocoa), the curtailment of government works programs, unemployment, and monetary and fiscal policies. All imports are under government control and the exchange situation remains tight. The commercial banks have a backlog of $4 million, or about six weeks' delay, in exchange remittances abroad.

Foreign Trade

In 1960 this country had a record trade of $267.4 million, 8 per cent higher than in 1959. Exports totalled $180.4 million, about $50 million higher than the previous year, and imports $87 million, the

Although the Dominican Repub concentrates on the growing of sugar cane and sugar and its byproducts make up over half o its exports, it raises many other crops. Among these are bananas our picture shows banana stems being unloaded at a receiving centre in the Republic. Last y banana exports earned U.S.$11.2 million.

lowest since 1954. The favourable balance of $93.3 million, contrasted with $12.6 million in the previous year, is also a record. Although sugar and byproducts continue to be the leading exports, there has over the years been a good measure of successful diversification from a one-crop (sugar) economy to otl agricultural products that also p vide a surplus for export. Amc these are coffee, cocoa, rice, cott

TABLE I

DOMINICAN REPUBLIC EXPORTS 1960

	(U.S.$ million)	(per cent)
Sugar and products	97.1	53.9
Coffee	22.6	12.5
Cocoa and chocolate	20.5	11.4
Bananas	11.2	6.2
Bauxite	8.0	4.5
Tobacco	6.7	3.7
Fresh and frozen meat	1.8	1.0

TABLE II

CHIEF MARKETS

	1959	1960
	(per cent of value)	
United States	52.7	59.2
United Kingdom	15.7	12.4
Netherlands	4.1	5.1
West Germany	3.4	4.0
Japan	3.5	3.3

CHIEF SUPPLIERS

	1959	1960
	(per cent of value)	
United States	59.4	52.3
West Germany	6.6	7.4
Canada	4.2	5.5
United Kingdom	4.0	5.0
Japan	2.8	4.5
Netherlands Antilles	5.1	4.2

TABLE III

MAIN CANADIAN EXPORTS TO DOMINICAN REPUBLIC

	1959	1960	1961 Jan.-March
	(in Canadian dollars)		
Total Exports	**5,137,477**	**5,061,888**	**1,311,255**
Of which:			
Upper leather	26,406	40,106	4,794
Leather, unmanufactured	14,210	17,794	....
Potatoes, seed	59,280	33,128	8,095
Wheat	4,406	1,002,672	501,903
Wheat flour	1,103,607	183,219	....
Macaroni, spaghetti	136,113	42,577	....
Malt	78,262	40,188	13,347
Bloaters	339,832	238,857	82,107
Pollock, dried salted	1,039,201	1,112,633	322,493
Other cured fish	195,195	289,135	47,344
Vegetable food products, n.o.p.	105,613	67,225	....
Tires for trucks and buses	240,007	245,217	47,205
Tires for passenger autos	51,944	65,273	9,966
Newsprint	418,941	202,280	47,999
Copper wire, insulated	264,589	229,772	30,358
Machinery and parts	73,207	529	....
Passenger autos	57,312	1,808	....
Asbestos milled fibres	85,570	72,440	16,600
Sardines	94,433	77,127	10,390
Aluminum, semifabricated	5,997	58,433	....
Coal oil and kerosene	....	64,511	....
Gasoline and naphtha	....	271,582	....
Fuel oil	....	219,240	....
Combs	51,303	34,986	....
Contractors' outfits and supplies	....	62,049	....

tobacco, bananas, tomatoes, beef, dairy products, and a range of vegetables for the neighbouring islands. Salt, gypsum, cement, bauxite and sisal twine have also entered export trade (see Table I).

During the first quarter of 1961, exports totalled $40.9 million and imports $17.2 million. The United States continues to be the Republic's leading customer and chief source of supply (see Table II).

Trade with Canada

Although total imports into the Dominican Republic in 1960 declined by nearly 26 per cent, imports from Canada totalled a little over $5 million, only slightly less than in 1959. Cured fish, mainly pollock and hake from Nova Scotia, continued to dominate our trade. With the new flour mill in operation here, the market for Canadian wheat flour has disappeared but has been replaced by sales of wheat that reached over $1 million in 1960, and about equal the flour exports of the year before. Since the mill also manufactures semolina, the import of this and of packaged alimentary pastes has ceased. The shipment of a large tanker from Halifax of petroleum products valued at about half a million dollars was a new item in our trade with this country in 1960.

Exchange

The exchange situation has been tight and is expected to remain so until the first quarter of next year. Last December it was officially announced that the two loans totalling $8 million, from the Bank of Nova Scotia to the Rio Haina sugar interests would be repaid to save interest charges, even though the loans were not due. In liquidating these loans, the Central Bank exhausted its gold reserves and used most of its dollar reserves. Early this year it was announced that 90 per cent of the foreign exchange derived from exports must accrue to the credit of the Central Bank. In June the president announced the removal of controls—monopolies on production and marketing—from coffee and cocoa. Up to now, large amounts of exchange from these exports have stayed outside the country.

After the importer pays the draft or bill in pesos, the commercial banks have been taking up to six weeks to remit the exchange. The amount of the backlog is not large but the delay causes some anxiety among Canadian exporters. Early in September, President Balaguer announced to the banking interests his intention to invite the International Monetary Fund to send representatives to the Republic to examine the exchange situation and to assist in operating the exchange account.

Growing conditions have been excellent throughout the year. During the dry season, December through April, there were well-spaced rainfalls and during the wet season, only minor losses from floods. Record crops of the country's important export commodities—sugar, coffee, cocoa and tobacco—are forecast.

The Dominican Republic, with its three million inhabitants, offers the Canadian exporter a small market for a wide range of products. We have a most-favoured-nation trade agreement with the Republic and both countries are members of the GATT. The Republic has no special trade agreements with other countries and import duties are the same for all. However, many of the inhabitants have low incomes and demand low-priced merchandise. Price, not quality, is in most instances the determining factor in sales to this market. •

Cuba

Build-up of industry and program for diversifying agriculture have increased demand for Canadian products this year. Cuban foreign exchange and trade policies will influence this trade in longer term.

P. A. SAVARD, *Commercial Counsellor, Havana.*

THE Cuban Government has now consolidated its ownership of business and industry to the point where only a small fraction remains free of control. New industrial plants are being established but as they have not yet come into production, this new effort to increase national output is not yet playing a substantial part in the economy. In addition, as stocks of imported raw materials, consumer goods and foodstuffs were used up, the resulting shortages created serious industrial production problems and resulted in the introduction of consumer rationing.

Agricultural production has increased and has become more broadly based but output will be unable to meet the greater consumer demand for some time to come. Both industry and agriculture suffer from the lack of administrative experience and capacity at the various executive levels.

It would be wrong, however, to conclude that no progress has been or is being made. The achievements in diversifying agriculture are impressive, although the full effects have still to be felt and, indeed, it may take some years to carry out certain phases of the agricultural program.

Industrially the prospects are less clear and it is too early to make a valid judgment. Industry was nationalized only a year ago and

Cuba's Foreign Trading Agencies

Empresa Cubana de Importaciones
Infanta No. 16, or
Apartado No. 7031,
Havana, Cuba.

Sección I—Alimentos
Foodstuffs

Sección II—Efectos Eléctricos y del Hogar
Electrical and household supplies

Sección III—Productos Farmacéuticos
Pharmaceuticals

Sección IV—Materias Primas
Gelatines, explosives, essential oils, cement, linseed oil, polyethylene, tar, synthetic rubber, wire, livestock, poultry, hatching eggs, etc.

Sección V—Textil
Textiles

Sección VI—Maquinaria
Machinery

Sección VII—Transportes
Transport equipment

Sección VIII—Materias Primas
Petroleum, lumber, paper, pulp, fertilizers, seeds, etc.

Sección IX—Equipos Médicos y Dentales
Medical and dental equipment

Sección X—Productos Quimicos
Chemicals

Empresa Cubana de Exportaciones
Calle 23 No. 55, Vedado, or
Apartado No. 6320,
Havana, Cuba.

Sección Azúcar
Sugar (raw and refined), blackstrap molasses

Sección Tabaco
Cigars, leaf tobacco, cigarettes

Sección Agropecuarios
Coffee, powdered cocoa, cocoa meal, cocoa beans; rum, cordials; birds; palm fibres; kelp; pineapples, avocados, tomatoes, mangoes, cucumbers, peppers

Sección Industriales-Minerales
Semi-manufactured goods and minerals

the resulting problems of changeover in management and administration have slowed down production.

Canada continues to sell both certified seed and table potatoes to Cuba and obtained new 1961 contracts. Here Canadian potatoes are unloaded at the c storage warehouse near Havana that the Cuban Government built and opera

Moreover, new plants are still in the planning or the building stage.

Pattern of Foreign Trade

The major part of Cuba's trade is now carried on with the U.S.S.R. and other Eastern European countries, and with Communist China. It is a trade based on barter and payments agreements, although the Soviet Union in particular has given Cuba substantial credits. There are no co-ordinated statistics, so it is impossible to estimate either the volume or the value of this trade. Trade with the United States has, of course, fallen drastically. Similarly, because the Central Bank has not issued any statements, no estimates of exchange reserves are possible.

During the past year, the National Bank for the Foreign Commerce of Cuba (BANCEC), which had for some months been serving as the central trading agency of the Cuban Government, was dissolved. Its functions were taken over and expanded by the Ministry of Foreign Trade (MINCEX). Both the Export Branch (Empresa Cubana de Exportaciones) and the Import Branch (Empresa Cubana de Importaciones) of MINCEX include a number of commodity divisio for details, see the accompany box. In the Import Branch, th commodity divisions issue all p chase orders and in the Exp Branch they make all sales. Ca dian exporters and traders who w to do business in Cuba should a proach the appropriate division the Ministry of Foreign Tr either through their duly appoin agents in Havana or through t office that the Ministry has set in Montreal. Payment terms usually negotiated on the basis confirmed letter of credit in a Ca dian bank.

(Canadian exporters who m wish to cultivate the Cuban mar directly are reminded that they n must have both a passport and visa for entry into Cuba.)

Trade with Canada

Canada's exports to Cuba ha increased substantially both in vo ume and value during 1961. O sales to Cuba for the five mont from January 1 to May 31 total over $12 million and covered fairly wide range of products. Du ing this time Cuba became Ca ada's second largest market f livestock and poultry (next to t

nited States) and continued to be a excellent customer for wood ulp. Canadian farmers have also een awarded contracts for supplying Canadian seed potatoes for the 961-62 season and orders for the ajor part of Cuban requirements table potatoes for November and ecember have also been placed in anada. Salt codfish orders have ot proved to be as substantial is year, although recently there ve been signs of renewed interest. me traditional exports, on the her hand, are no longer being ipped; Cuba is buying its wheat d newsprint, for instance, from e Soviet Union.

Cuban sales to Canada have also dergone some changes; shipments raw sugar have slumped but tobacco shipments have continued in normal volume. To back up these traditional sales to Canada, Cuba would like to market more tomatoes (they made a definite impression on the Canadian market last year) and a number of other agricultural and fisheries products, such as pineapple, avocados, and frozen shrimp in season.

The Outlook

Cuba should continue to require worthwhile quantities of Canadian goods for some time to come. The administration is dedicated to the achievement of greater self-sufficiency in foodstuffs and in industrial products and is making strenuous efforts to this end. During this period of build-up of agricultural and industrial capacity, Cuba's need for capital goods is bound to be greater but this need is likely to diminish as local production increases. Larger domestic output may mean a reduction in imports of livestock and other farm products but greater industrial production, on the other hand, should mean a greater demand for raw materials and semi-processed goods. Many of the projected industrial plants will have to obtain their raw materials from foreign sources.

To sum up, it is difficult to forecast any trade pattern or trend. Present imports do not adequately fill Cuban requirements, but foreign exchange and trade policies have a good deal of influence on how these needs are met.

TRADE COMMISSIONERS ON TOUR

Canada

S. GLASS, Trade Commissioner in Salisbury, Federation of odesia and Nyasaland:

ntreal—Oct. 19-24	Granby—Oct. 25

When he completes his tour and home leave, Mr. Glass l return to Salisbury.

Businessmen who wish to see these officers should get in ch with the Board of Trade or Chamber of Commerce in cities mentioned, with the following exceptions. In Toronto, nnipeg and Edmonton, the Trade Commissioners make ir headquarters at the offices of the Canadian Manufacturers sociation; in Windsor, Ontario, at the offices of the Greater ndsor Industrial Commission; in St. John's, Ottawa and ncouver, at the Department of Trade and Commerce; in toria at the Department of Trade and Industry, and in dericton at the Department of Industry and Development.

Territory

S. ARMSTRONG, Commercial Counsellor in Cairo, United ab Republic, will visit Damascus, Syria, from November 18.

E. BLACKSTOCK, Consul and Assistant Trade Commisser in New Orleans, will visit the following cities in rida from November 8-22: Jacksonville, Orlando, Fort derdale, Port Everglades, Miami, Coral Gables, Tampa, Petersburg, and Clearwater.

R. A. BULL, Assistant Commercial Secretary in Bogota, Colombia, will visit Medellin, October 31 and November 1.

D. I. CAMPBELL, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracaibo from November 13-16.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from November 20-24.

K. NYENHUIS, Commercial Counsellor in Copenhagen, Denmark, will visit Warsaw, Lodz, and Katowice in Poland during the second half of October.

R. F. RENWICK, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Grenada, St. Vincent, St. Lucia, Dominica, Montserrat and Antigua from November 16-24.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit El Salvador from November 29-December 2.

W. R. VAN, Trade Commissioner in Liverpool, England, will visit Sheffield on October 23 and 24.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Blackstock at New Orleans, Mr. Bull at Bogota, Mr. Campbell at Caracas, Mr. McLane at Glasgow, Mr. Nyenhuis at Copenhagen, Mr. Renwick at Port-of-Spain, Mr. Taylor at Guatemala City, and Mr. Van at Liverpool.

SHIPPING SERVICES FROM CANADA TO THE CARIBBEAN

TO:	FROM Pacific Coast	FROM St. Lawrence and Atlantic
British Honduras		Canada Jamaica Line *(Kerr Steamships Ltd., Montreal)*
Costa Rica	Chilean North Pacific Line *(Dodwell & Co. Ltd., Vancouver)* Grace Line *(C. Gardner Johnson Ltd., Vancouver)* Grancolombiana Line *(Balfour, Guthrie Canada Ltd., Vancouver)* Venezuelan Line *(Empire Shipping Co. Ltd., Vancouver)*	West Coast Line *(Saguenay Shipping Ltd., Montreal)*
Cuba	"K" Line *(Johnson Walton Steamships Ltd., Vancouver)*	Mambisas Line *(Colley Motorships Ltd., Montreal)*
Dominican Republic	"K" Line Mitsui Line *(Pacific Export Lines Ltd., Vancouver)*	Saguenay Shipping Ltd.
El Salvador	Chilean North Pacific Line Grace Line Grancolombiana Line	*Via Puerto Barrios:* Canada Jamaica Line
Guatemala	Chilean North Pacific Line Grace Line Grancolombiana Line	Canada Jamaica Line
Haiti		Royal Netherlands Line
Honduras	Grace Line	Canada Jamaica Line
Mexico	Chilean North Pacific Line Daido Line *(Dingwall Cotts & Co., Vancouver)* Grancolombiana Line Grace Line Venezuelan Line	Grancolombiana Line *(Swedish American Line, Montreal)* Swedish American Line *(Swedish American Line, Montreal)*
Nicaragua	Chilean North Pacific Line Daido Line Grace Line	
Panama	Daido Line d'Amico Line *(Anglo-Canadian Shipping Co. Ltd., Vancouver)*	Grancolombiana Line West Coast Line

	FROM	
	Pacific Coast	**St. Lawrence and Atlantic**
TO: Panama	Grace Line "K" Line *(Johnson Walton Steamships Ltd., Vancouver)* Mitsui Line *(Pacific Export Line, Vancouver)* Moore-McCormack Lines *(Balfour, Guthrie Canada Ltd., Vancouver)* Saguenay Shipping Ltd. *(Saguenay Shipping Ltd., Vancouver)*	
Puerto Rico		Saguenay Shipping Ltd.

FOREIGN TARIFFS AND TRADE REGULATIONS

arbados

'ARIFF INCREASES ANNOUNCED—The Bar-ados Government has announced increases in the ates of import duty on the following items: radio eceivers for domestic (household) use; radio gramo-hones (radio-grams); radio receivers for use in motor ars; television receivers.

The former rates of 10 per cent ad valorem and 20 er cent ad valorem under the Preferential and General 'ariffs, respectively, have now been increased to 20 er cent ad valorem and 30 per cent ad valorem.

weden

IEW LIBERALIZATION MEASURES ARE AN-IOUNCED—The Swedish Agricultural Marketing oard has freed, effective June 23, 1961, imports of resh, chilled, or frozen salmon. Also, fresh pears may e imported freely from September 19, 1961, until une 30, 1962, and certain agricultural products have een temporarily freed for import until March 31, 962.

Detailed information is available from the Inter-ational Trade Relations Branch of the Department of 'rade and Commerce.

United States

TARIFF-RATE QUOTA FOR WHITE OR IRISH POTATOES—The estimate of the production of white or Irish potatoes, including seed potatoes, in the United States for the calendar year 1961, made by the U.S. Department of Agriculture as of September 1, 1961, was 464,065,000 bushels. Since the estimated production is greater than 350 million bushels, the tariff-rate quota for white or Irish potatoes, other than certified seed, will remain at 600,000 bushels of 60 pounds each for the twelve-month period beginning September 15, 1961.

CORRECTION

The article "Australian Economy Readjusts", published in our September 23 issue, included a table on Australian trade with selected countries. This table covered exports to and imports from Australia in the fiscal years ended June 30, 1960 and 1961, plus a column showing the change in 1961 over 1960. The latter figures were incorrectly listed as being in per cent. They are in millions of Australian pounds, like those in the first four columns of the table.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tele
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary E. E. Price Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Phone:* 28-5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-3473
Australia	R. B. Nickson Commercial Counsellor	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Phone:* U-1304 *Telex:* CBA C217 (DOMCAN CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor for Canada P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97 *Telex:* 1-3380 (DOMCAN VIENNA)
Belgium Luxembourg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	L. H. Ausman Commercial Counsellor (absent) A. A. Lomas Acting Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 13.38.50 *Telex:* 0-2613 (DOMCAN BRU)
Brazil	Wm. Jones Commercial Counsellor (absent) Malcolm Rowan Acting Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Phone:* 42-4140 *Telex:* RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Phone:* 36-6301
Ceylon	Commercial Secretary (absent)	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Phone:* 91341
Chile	J. R. Midwinter Commercial Secretary J. M. Knowles Assistant Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Phone:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul R. A. Bull Assistant Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 8582 *Surface Mail:* Apar- tado 1618 *Cable:* CANADIAN *Phone:* 43-00-65

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Phone:* 2706 *Telex:* LEO 68 (DOMCAN LEO)
Cuba	P. A. Savard Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	*Mail:* Gaveta 6125 *Cable:* CANADIAN *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor J. C. Leith Assistant Commercial Secretary and Vice Consul	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Phone:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* BALzac 99-55 *Telex:* 2-0600 (DOMCAN PARIS)
Germany Federal Republic	J. A. Stiles Commercial Counsellor H. E. Campbell Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 21971 *Telex:* 886421 OR 886422 (DOMCAN BONN)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Phone:* 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Phone:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner J. M. T. Thomas Assistant Trade Commissioner D. J. McEachran Assistant Trade Commissioner D. Molgat Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Phone:* 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone & Te[x]
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor B. Horth Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Phone:* 74261
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Phone:* 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Embassy 32 Anatole France TEHRAN	*Mail:* P.O. Box 1610 *Cable:* CANTRACOM *Phone:* 4-9291
Ireland	Commercial Secretary for Canada (absent)	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 864-327 *Telex:* RMO 86 (RMO 86 DOMCAN OR RMO 56 DOMCAN)
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Phone:* 408-2101/8 *Telex:* TK 2218 (DOMCAN TK 2218)
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Phone:* 50955
Mexico	F. B. Clark Commercial Counsellor W. M. Miner Assistant Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Phone:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-41-11 *Telex:* 31270 (DOMCAN HAGUE)
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Phone:* 70-644 *Telex:* WGN 9 (DOMCAN WGN)
Nigeria	H. W. Richardson Commercial Counsellor C. T. Charland Assistant Commercial Secretary N. L. Williams Assistant Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	*Mail:* P.O. Box 851 *Cable:* CANADIAN *Phone:* 25262

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Norway Iceland	M. B. Bursey Commercial Counsellor W. E. Fulton Assistant Commercial Secretary	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Phone:* 33-30-80
Pakistan Afghanistan	J. E. P. Lancaster Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Phone:* 50322 *Telex:* KRC 10
Peru Bolivia	K. G. Ramsay Commercial Secretary W. J. Jenkins Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Phone:* 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner (absent) R. M. Dawson Consul and Acting Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Phone:* 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner (absent)	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Phone:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Phone:* 74260
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Phone:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Phone:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Phone:* 47-54-00
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Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44-63-81 *Telex:* 2-2386 (DOMCAN GENEVE)
Union of Soviet Socialist Republics	Commercial Counsellor (absent)	Canadian Embassy 23 Starokonyushenny Pereulok Moscow	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 415142
United Arab Republic Egyptian Region Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Phone:* 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tele
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United States	M. Schwarzmann Minister-Counsellor (Economic) W. J. Van Vliet Agricultural Counsellor R. R. Parlour Commercial Counsellor J. D. Blackwood Assistant Commercial Secretary J. MacNaught Assistant Agricultural Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
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United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner R. C. Anderson Consul and Assistant Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Phone:* MAdison 2-2233
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United States (Delaware, Maryland, Pennsylvania, Virginia, West Virginia)	W. J. Millyárd Consul and Trade Commissioner J. B. McLaren Vice Consul and Assistant Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* LOCUST 35838
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Phone:* MUtual 2-3515
Uruguay Paraguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
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West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Counsellor R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Phone:* 34787
West Indies (Jamaica) Bahamas, British Honduras	Canadian Government Trade Commissioner (absent) C. G. Bullis Acting Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Phone:* 26948

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .9708737.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent October 6	Units per Canadian dollar	Notes (See below
Argentina	Peso		.01244	80.38	
Austria	Schilling		.03992	25.05	
Australia	Pound		2.3193	.4312	
Bahamas	Pound		2.8991	.3449	
Belgium and Luxembourg	Franc		.02069	48.33	
Bermuda	Pound		2.8991	.3449	
Bolivia	Boliviano	Free	.00008783	11,385.63	
British Guiana	Dollar		.6040	1.65	
British Honduras	Dollar		.7295	1.37	
Brazil	Cruzeiro	Free	.003564	280.58	
		Special Category	†	†	
Burma	Kyat		.2163	4.62	
Ceylon	Rupee		.2174	4.60	
Chile	Escudo		.9791	1.02135	
Colombia	Peso	Certificate	.1537	6.51	
Congo, Republic of	Franc		.02069	48.33	
Costa Rica	Colon		.1555	6.43	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1430	6.99	
Denmark	Krone		.1496	6.68	
Dominican Republic	Peso		1.03000	.9708737	
Ecuador	Sucre	Official	.05722	17.48	
		Free	.04996	20.02	
Egyptian Region, United Arab Rep.	Pound	Official	2.9577	.3381	
El Salvador	Colon		.4120	2.43	
Fiji	Pound		2.6118	.3828	
Finland	Markka		.003219	310.65	
France, Monaco, etc.	New Franc		.2096	4.77	(
Franco-African Republics, etc.	Franc		.004192	238.55	(
French Pacific	Franc		.01153	86.73	(
Germany	D Mark		.2580	3.87	
Ghana	Pound		2.8991	.3449	
Greece	Drachma		.03433	29.13	
Guatemala	Quetzal		1.03000	.9708737	
Haiti	Gourde		.2060	4.85	
Honduras	Lempira		.5150	1.94	
Hong Kong	Dollar	Free*	.1802	5.55	*Sept.
		Official	.1812	5.52	
Iceland	Krona	Official	.02395	41.75	(
India	Rupee		.2174	4.60	
Indonesia	Rupiah	Official	.02289	43.69	(
Iran	Rial		.01360	73.54	
Iraq	Dinar		2.8840	.3467	
Ireland	Pound		2.8991	.3449	
Israel	Pound		.5722	1.75	
Italy	Lira		.001660	602.41	
Japan	Yen		.002861	349.53	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent October 6	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3236	3.09	
Mexico	Peso		.08240	12.13	
Morocco	Dirham		.2060	4.85	
Netherlands	Florin		.2856	3.50	
Netherlands Antilles	Florin		.5462	1.83	
New Zealand	Pound		2.8991	.3449	
Nicaragua	Cordoba	Effective buying	.1560	6.41	
		Official selling	.1462	6.84	
Nigeria	Pound		2.8991	.3449	
Norway	Krone		.1448	6.91	
Pakistan	Rupee		.2174	4.60	
Panama	Balboa		1.03000	.9708737	
Paraguay	Guarani	Official	.008142	122.82	
Peru	Sol		.03840	26.04	
Philippines	Peso	Free	.3433	2.91	
		Official	.5150	1.94	
Portugal & Colonies	Escudo		.03595	27.82	(5)
Republic of South Africa	Rand		1.4496	.6898	
Singapore and Malaya	Straits Dollar		.3382	2.96	
Spain and Dependencies	Peseta		.01717	58.25	
Sweden	Krona		.1994	5.01	
Switzerland	Franc		.2383	4.20	
Syrian Region, United Arab Rep.	Pound	Free	.2882	3.47	
Thailand	Baht	Free	.04872	20.52	(4)
Tunisia	Dinar		2.4926	.4012	
Turkey	Lira		.1144	8.74	(4)
United Kingdom	Pound		2.8991	.3449	
United States	Dollar		1.03000	.9708737	
Uruguay	Peso	Free	.09394	10.64	
Venezuela	Bolivar	Free	.3077	3.25	
		Official	.2246	4.45	
West Indies Fed.	Dollar		.6040	1.65	(6)
	Pound		2.8991	.3449	(7)
Yugoslavia	Dinar	Official	.001373	728.33	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

COSTA RICA

Area: 19,695 square miles.

Population: 1,100,000.

Climate: varies with altitude—a hot zone under 3,000 feet, temperate from 3,000 to 6,000 feet, and cool above 6,000 feet.

Language: Spanish; sales literature must be in Spanish.

Currency: colon; one colon=Can.$0.1556.

Weights and measures: metric system.

Capital: San José, altitude 3,816 feet.

Chief ports: Puerto Limón is the chief port and is on the Atlantic; Puntarenas, the Pacific port, is 91 miles from San José.

Marketing centres: San José (population) 138,025; Heredia 16,500; Alajuela (sugar industry centre) 17,300; Cartago 16,800.

Economy: agriculture is the main source of income; banan and coffee are the principal exports. Light manufacturi is being expanded.

Total Costa Rican imports: 1959—U.S.$102.7 million (c.i.f

Chief imports: (U.S.$ million) 1959—manufactured goods 29. machinery and transport equipment 26.1, foodstuffs 15. chemical products 15.6.

Chief suppliers: (U.S.$ million) 1959—United States 50.0, Ge many 10.2, United Kingdom 6.3, Japan 5.9.

Value of imports from Canada: 1959—$2.6 million; 1960 $2.9 million.

Chief imports from Canada: 1960—flour of wheat $1.21 m lion, newsprint $433,794, upper leather $236,347, tires f trucks and buses $147,243, threshers and combin $116,030.

Total Costa Rican exports: 1959—U.S.$80.2 million.

Chief exports: (U.S.$ million) 1959—coffee 40.0, bananas 22. cacao 7.2, beef 2.9, cattle 0.7, fish 0.6.

Chief markets: (U.S.$ million) 1959—United States 40.2, Ge many 19.3, Canada 4.8, Netherlands 2.8, Italy 2.4.

Value of Canadian purchases: 1960—U.S.$4.3 million.

Chief Canadian purchases: 1960—bananas $3.4 million, coff (green) $748,305, manila fibre $163,037.

Dollar exchange: since September 2, all payments for impor are made at a unified rate of exchange (6.65 colones U.S.$1.00).

Prices: quote in U.S. dollars, c.i.f. Puerto Limón or Punt renas.

Samples: Samples brought in by salesmen are admitted und bond; duty is refunded if samples are re-exported with 30 days. If samples sent to Costa Rica are of no con mercial value, duty is .50 colon per gross kilo.

Trade agreements: exchange of most-favoured-nation treatme with Canada, 1951.

Import controls, documentation, customs tariffs, marking an labelling: consult the International Trade Relations Branc Department of Trade and Commerce, Ottawa.

Canadian banks: none.

Correspondence: airmail essential; letters 10 cents per hal ounce.

For detailed information on this market write to:

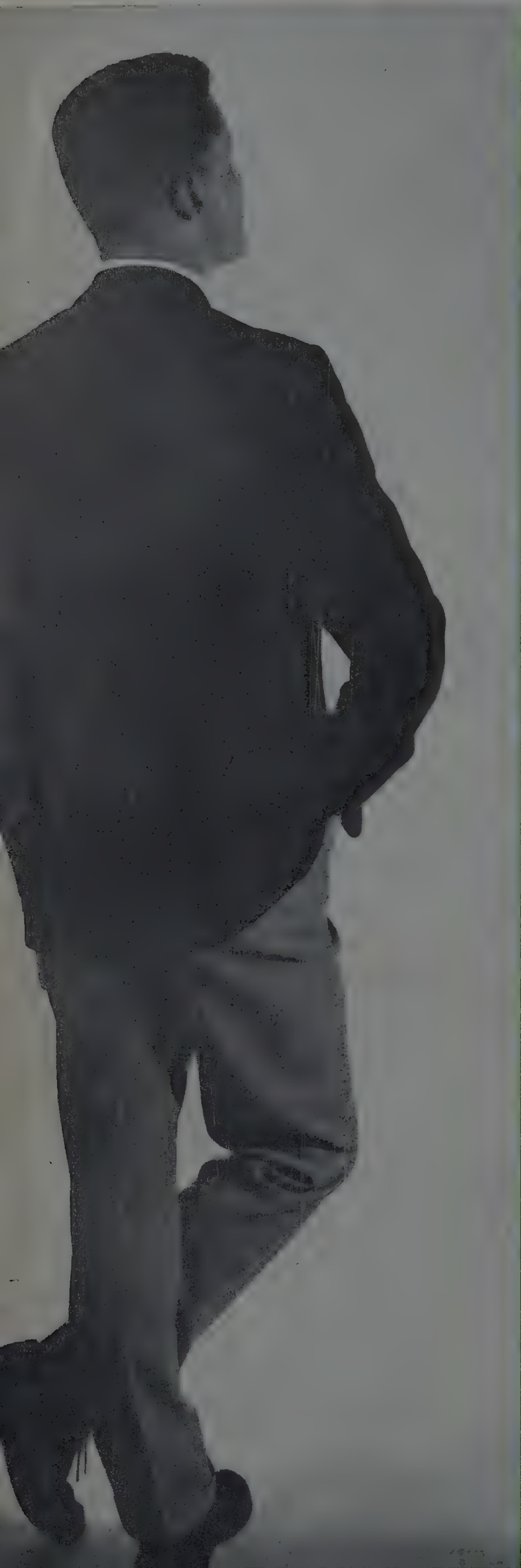
Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

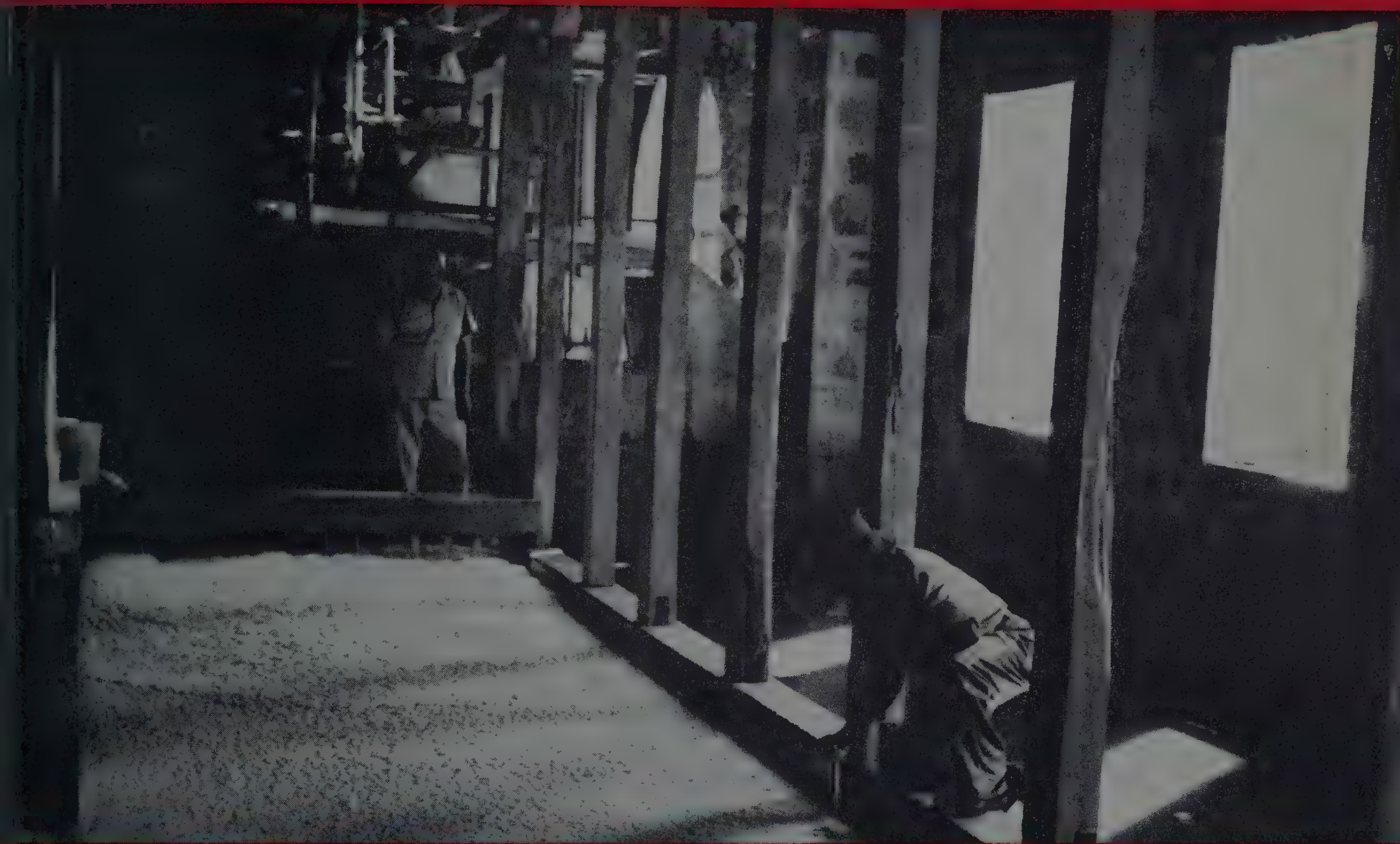
Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala, C.A.

Roger Duhamel
QUEEN'S PRINTER

If undelivered return to:
The Queen's Printer, Ottawa, Canada



The West Indian Markets (pages 2-24)



FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

NOV. 4. 61

FOREIGN TRADE

NOVEMBER 4, 1961 Vol. 116 No. 10

OVER:
Arrowroot, grown in St. Vincent, one of e Windwards group, is shredded, then the starch extracted by immersion in water. Here the starch "milk", after straining, is run onto settling tables. The arrowroot starch settles on the bottom and the water is drawn off. Trade and development in . Vincent, the world's prime producer of rrowroot, is covered in this issue, mainly devoted to the West Indian markets; so are business conditions in the other nine nembers of the Federation and in Jamaica and the Bahamas. (See pages 2 to 24.)

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COMING——DEVELOPMENT AND TRADE, LATIN AMERICA II, NOVEMBER 18

The West Indies in 1961

Jamaica's decision to withdraw from the Federation has left political order of area undecided at this stage. Economic progress is continuing, with smaller islands sharing in it; this makes the West Indies an expanding market for many types of Canadian products.

R. G. C. SMITH, *Commissioner for Canada, Port-of-Spain.*

UST a year ago*, a brief review f The West Indies published in *oreign Trade* described how the rea was progressing towards an dependent Dominion within the ritish Commonwealth. As the ppointment with destiny drew earer, the various problems—ecoomic, political and social—were ammered out until a hard core of e basic points of difference beveen the island governments reained. The process developed omentum during the first part of 961, but it came to an abrupt alt in September when Jamaica eclared its intention of withdrawg from the Federation.

eview and Referendum

The caretaker constitution of the ederation provided for its review efore the end of a five-year period order to set up a final constituon that would be the basis on hich the independent West Indies ould build and thrive. In April 961, following a series of meetings eld over a long and anxious period two committees, the final Interovernmental Conference to decide a suitable constitution for recomendation to the British Government met in Port-of-Spain. There presentatives of the governments the islands making up the Fedation—Trinidad, Jamaica, Bardos, Antigua, St. Kitts, Montsert, Dominica, St. Lucia, St. Vincent d Grenada—met with the Fedal Government and agreed, with me reservations, on the constituon that they would take to London r discussion. This fateful meeting ok place in May, an ultimate contution was agreed upon (with me misgivings on certain prinples), and the date for independce set for May 31, 1962. Hower, it was agreed that before inpendence, the constitution should ceive the consent of the Federal rliament and of each island Legisure. In addition, and in keeping th the pledge given by its Premier, maica was to hold a referendum to decide whether or not that island wished to remain in the Federation.

That referendum was held on September 19, 1961, and the people of Jamaica voted to leave the Federation. No plans had been made for such an eventuality, with the result that the area has been left in considerable uncertainty. However, Jamaica has announced its intention of seeking separate independence within the Commonwealth and has already held preliminary discussions on this matter with the British Government.

Reaction in Trinidad

The remaining nine governments of the Federation have not yet made any decision on their future course of action. Trinidad, with over half of the total remaining population of about one and a half million, clearly holds the key to the future. At the moment it is on the eve of a general election. The present government has announced it will not declare itself on the Federation issue until after the election. No date has been set but it must take place before January 26, 1962, and the political parties are busily campaigning. Generally it is accepted that two courses are open to Trinidad: to seek independence for itself, or to join with the other eight governments in forming a new Federation. Thus, at this stage and until after the elections, the ultimate political order of the area is necessarily undecided.

Effect of Vote

Although clarification of the political organization for the area as a whole must await the decision of Trinidad, the referendum in Jamaica does establish the following facts:

- The Federation that formally came into being in April 1958 will no longer exist after the formalities of a Jamaican withdrawal have been completed.
- Some time during 1962, Jamaica will achieve full independence and in all probability become a new Dominion within the Commonwealth.
- If a new Federation is created by the remaining members, (a possibility but by no means a certainty), a new constitution will have to be developed to meet the new circumstances.
- The elaborately worked-out customs union of the ten islands will not be put into operation.
- External trade will thus be conducted under the same general conditions as heretofore, both for Jamaica and for the other islands of the Federation.
- A new start will have to be made on revising the 1926 Canada-West Indies Trade Agreement, after the new political alignments in the West Indies have been worked out.

Clearly this situation has created a number of problems, for the whole fabric of federation was predicated on the supposition that Jamaica would be part of a new Dominion that would achieve independence on May 31, 1962. A number of services that were being developed on a federal basis will have to be reconsidered and realigned. For example, the University College of the West Indies, with its headquarters in Jamaica and its agricultural and engineering faculties in Trinidad, was a federal responsibility; so were matters of defence. The West Indies Regiment was based in Jamaica, with plans for a second battalion to be established in Trinidad. Shipping services throughout The West Indies naturally included Jamaica and efforts were being made to develop a national airline. The plans for a customs union have already been mentioned. All of these and others will have to be reconsidered and in some cases redesigned. However, there is no doubt that, as far as is compatible with sovereignty, the maximum liaison between Jamaica and the other units of the Federation will be maintained and developed.

*See *Foreign Trade* of November 5, 1960.

Meanwhile the area as a whole continues to make enormous strides economically. Exports, the real measure of advancement in an area almost exclusively dependent on foreign markets for its prosperity, are expanding rapidly, the tourist trade has grown by leaps and bounds, and industrialization in the larger islands is helping to bring a measure of needed diversification to the economy. In ten years, exports have nearly trebled in value—from the equivalent of Can.$181 million in 1950 to almost Can.$506 million in 1960. The tourist trade is estimated to be bringing in over Can.$54 million a year.

Imports Trebled in Decade

The effect of such increases has been to almost treble imports over the same ten years (from Can.$208 million to about Can.$617 million). Industrialization, particularly in Jamaica and Trinidad, has increased the demand for machinery and equipment perhaps more rapidly than for the traditional products. It has also reduced imports of those products now made locally and removed the preferential advantage to Canadian and other Commonwealth producers of machinery and equipment and of certain raw and semi-manufactured materials granted free entry to new industries under Pioneer Industry ordinances. On the other hand, new opportunities have appeared and much greater possibilities of trade created through a rapidly rising standard of living. Moreover, this rising standard of living is tending to stimulate and enlarge a demand for better quality goods.

A Good Year

The current year has been reasonably satisfactory. Trade figures are not available except for the first months for the larger territories. However, it is probable that exports and imports will show a continued and substantial expansion. The area has had the largest sugar production on record and because of a substantial allocation in the United States market, it will be able to dispose of all of it at a somewhat higher overall price per ton than last year. As sugar represents nearly 20 per cent of total exports from the area and is the largest employer of labour, the effect of a good "sugar year" is important in Jamaica, Trinidad, Barbados, St. Kitts, Antigua and (to a smaller extent) St. Lucia.

The citrus crop, of some importance in Jamaica, Trinidad and Dominica, has been much smaller in Trinidad and somewhat smaller in the other islands.

Despite some early drought and severe wind damage to the St. Lucia crops, bananas in the Windwards—the most important source of revenue there—have been moving ahead slightly, although the Grenada production declined as other crops replaced some bananas.

The cotton crop, so vital to St. Vincent, Montserrat and Nevis and of great importance to Antigua, was very low last year because of the small acreage planted and dry weather. (In St. Vincent, the loss by fire of its ginnery was a particularly discouraging factor and doubt about world prices throughout the area kept plantings down.) However, it seems as if a larger acreage will be put in this year.

Main Industries

The production and refining of oil in Trinidad is of vital importance to that island and to the area as a whole. Actually exports of oil now represent some 72 per cent by value of all Trinidad's exports and about 42 per cent of exports for the whole federal area. The value of such exports has been rising steadily and during 1961 this trend has continued. The daily refinery throughput for the first seven months of 1961 rose substantially over the same period last year. This was largely the result of increased crude imports, but Trinidad's own production of crude has also increased. One of the problems facing the industry is that the number of people employed is going down steadily, despite the rise in production of crude and of refi products. The Government announced an agreement to give international company pioneer st to build a large lubricating-oil p that eventually will employ a c siderable number.

In Jamaica the production export of bauxite and alumina h become the major factor in economy. These exports accoun for about 50 per cent of the va of total exports from that islan 1960 (compared with about per cent for sugar). During the part of this year, these shipme were running slightly ahead of same period of last year.

The current tourist year appe to have been somewhat be expectations and the rate of de opment has slowed down. Nev theless, this sector of the econo is confidently expected to prosp Up to now, the principal tou islands have been Jamaica, B bados, Antigua and Tobago. N other islands are developing th considerable assets; new hotels going up and beaches and facilit being developed in Grenada, Vincent, St. Lucia, Montserrat a St. Kitts. At the same time, Antig Barbados, Jamaica and Trinic continue to add to their facilities.

While unemployment contin to harass the area as a whole a there seems to be some slow down of business activity at t moment, expansion is the gene rule. As the political pattern for t future is redesigned, a new surge economic planning that will be su ported by help from outside is to expected.

Exploiting the Market

In fact, opportunities for tra and investment are opening rapidly. Although industrializati will increase, particularly in indu tries with a high labour compone the West Indies will remain interesting and profitable market f many manufactured products well as for raw materials and ba food products that have figur largely in Canada's trade with t

rea for some time. The West Indies s also seeking outlets for its manufactured goods in export markets, with a view to hastening the time when it will become more economically independent.

The obstacles to trade that have loomed large since the end of the war—such as restrictions on imports from outside the sterling area and the premium on the Canadian dollar—have practically all been removed. Most important is the fact that the lower value of the Canadian dollar now offers a positive advantage. The welcome accorded to Canada and its products could hardly be more sincere or more widespread—provided, and it is a most important proviso, the goods are competitive in quality, style and price. It is heartening to be able to report that the number of Canadian business visitors (and of course tourists) has been increasing rapidly.

Although it may be tedious to repeat the cliché that a personal visit is worth more than thousands of letters, it remains true. Moreover, visitors continue to be amazed at the warmth of the welcome they receive and the extent of the opportunities they discover. It would be redundant to list the goods and services that can find a market in the islands of the West Indies. *The fact that just about every manufactured product and a growing number of raw or semi-manufactured products can be sold to a greater or lesser degree.* The exceptions are products that are being made in the area, not a very extensive list so far. Any Canadian company that is not now selling in the area should write to the Trade Commissioners stationed in Trinidad and Jamaica, who will be able to indicate the size of the market and to help in establishing sound and reliable connections. There are also investment opportunities that complement the development of trade, and the different island governments give considerable taxation and other incentives to pioneer industries. ●

THE WEST INDIAN MARKETS

Jamaica

Emphasis on setting up of local industries increases competition for Canadian goods, but prospects continue to be excellent—if exporters extend credit, study market at first hand, adapt themselves to Jamaican needs, and offer attractive prices.

C. G. BULLIS, *Assistant Trade Commissioner, Kingston.*

THE first six months of 1961 has been a period of consolidation for the Jamaican economy and this phase is likely to continue for at least another 12 months. It follows an expansion that reached its peak during 1959 and the first nine months of 1960, bringing inflation in its wake. However, both merchants and consumers are now adopting a more realistic attitude towards consumer debt and the return of a more normal trade pattern is expected in the future.

During the past two years, consumer sales in Jamaica have skyrocketed, based on instalment buying and other forms of long-term credit. Purchases—particularly of automobiles, furniture, stereo sets, and domestic appliances—doubled, and families in lower income groups became over-extended and could not maintain payments. New finance companies, which were going all out for business, have now been obliged to write off their bad debts and to put a brake on indiscriminate lending. Banks have also tightened up credit.

In October 1960, the Government took steps to curb inflation. An order was issued making it compulsory for all automobile buyers to pay at least one-third of the price initially and the remainder within two and a half years. In May of this year, price controls were reimposed on automobiles, automobile parts and codfish. Legislation has also been passed to enable the Trade Board to investigate the profit margin of local merchants, with a view to curbing excessive markups. These measures have sharply reduced the demand for consumer durables and this in turn has brought about a general decline in imports. During the first half of 1960, Jamaican imports were valued at £39.3 million; during the second half of 1960 this figure dropped to £38.1 million, and for the first six months of this year to £37.6 million.

Industrial Expansion

A steady increase in the value of Jamaica's exports has gone hand in hand with this drop in imports. Exports rose from £24.6 million for January to June 1960 and £28.3 million for July to December 1960 to £31.8 million in the first half of 1961. Jamaica's unfavourable trade balance, which has averaged £7.9 million during the first half of the past three years, was cut to £5.4 million in the first half of 1961. Part of this rise in exports resulted from the carefully fostered industrial growth of the island under the auspices of the Jamaica Industrial Development Corporation. Ten new factories have come into operation

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since the beginning of 1960 and 25 more have been granted approved status. Clothing is one of the principal manufactured products exported and the range of goods being offered was widened in June, when the first shipment of Jamaican-made lingerie was sent to the United States. The value of clothing exported increased from $942,358 in 1959 to $2,874,132 in 1960 and sales for the first half of 1961 are already 18 per cent above those for the same period last year.

The Jamaica Industrial Development Corporation estimates that approximately 2,500 workers will find new jobs this year as 14 new factories scheduled for completion go into operation. Among the products will be building marble, plastic goods, carpet backing, toothpaste, crown corks and ceramics. The latter will be produced in the pilot plant of Jamaica Pottery Ltd., subsidiary of Royal Worcester Porcelain Company, which plans full production of china and porcelain from Jamaican clay by the end of 1962. Hotel construction continues apace and work has now begun on the new Sheraton Kingston Hotel, scheduled for completion in time to house visitors to the Caribbean International Games in July 1962.

Mining and Agriculture

Although industrialization will contribute more to Jamaica's exports in future years, her main wealth still lies in her bauxite-mining industry. Nearly half the value of exports comes from the sale of bauxite to the United States and alumina to Canada, Norway, India and Brazil. (Total Jamaican sales to Canada were valued at £13.6 million in 1960; alumina sales represented 70.7 per cent of this figure.) This industry has suffered a temporary setback as a result of a glut on the world alumina market and two of the three companies operating in the island have cut production. Reynolds Mines, however, landed an order for 600,000 tons of bauxite for the U.S. Government stockpile and has thus managed to maintain its former output. The fourth mining company, Alcoa Minerals of Jamaica Inc., is going ahead with its installations.

Offsetting the fall in bauxite production is the boost given to sugar exports by the decision of the United States Government to purchase sugar from the West Indies and British Guiana at the subsidized price of £45 per ton, as a result of the termination of the Cuban sugar quota. Sugar, estimated at 434,543 long tons for the 1961 crop, is Jamaica's second largest breadwinner, accounting for a quarter of her export sales. So far the United States has decided to purchase 223,000 long tons of sugar, of which Jamaica's portion is 105,000. Because Jamaican costs are estimated at £36 per ton, £9 higher than the present world market price, this decision means that the entire 1961 crop will be sold at a profit.

Exports of bananas to Britain by the middle of June had risen 15 per cent above last year's figures. Citrus, however, is another story, as local consumption is accounting for a larger and larger proportion of the total crop. During the first six months of 1961, shipments were 20 per cent lower than in 1960. To cope with the situation, the Government and the Citrus Growers Association have drawn up a program for the industry which will put 7,500 new acres under cultivation during the next four years.

A workman efficiently stacks tins of paint in the warehouse of one of Jamaica's newer industries. This Kingston paint company, set up in 1959, today produces about 130,000 gallons of paint a year.

Another important source of evenue is the tourist trade. As a esult of the bumper crop of visitors ist year (226,945 compared with 91,303 in 1959), new hotels pened both in Kingston and on the orth coast, raising accommodation or tourists in the 1960/61 season om 5,808 to 6,140 beds. The arlier part of the season proved isappointing in Jamaica, as elsehere in the Caribbean. The sumer season, however, has shown a elcome rise over last year and ourist arrivals to the end of June 961 amounted to 117,126, comared with 123,071 in 1960. Some .S. companies are using Jamaica s the locale for conventions in the ummer season or are flying groups f dealers there for brief stays. uture bookings are high and the amaica Tourist Board is confident at final figures will show an inease over last year. The recent ecision of the United States Govnment to curtail the duty-free alwance on purchases made by .S. residents abroad on vacation om $500 to $100 will undoubtedly e a blow to the owners of in-bond hops, but should not affect the umber of overseas visitors.

evelopment Budget Large

The high rate of development in amaica is being maintained by the overnment and the 1961 budget, rought down in March, called for n increased expenditure of £3.8 illion, bringing the total to a ecord of £43 million. Of this mount, approximately £2 million ill be spent on slum clearance and w-cost housing. Four large-scale ousing developments for middle come groups begun in 1960 will rovide 3,200 units when they are mpleted.

In July it was announced that £1.78 million of the £2.5 million .S. loan to the West Indies ederation has been allocated to amaica, to assist in financing new ousing and water-supply schemes. he island's water supply needs exansion to meet the increasing needs of the population and a five-year plan for rural areas, costing some £5 to £6 million, is being drawn up with the aid of the U.S. International Co-operation Administration. A new dam at Harker's Hall, to cost approximately £5 million, will be begun in 1962 and will provide water for the suburbs of Kingston and the parish of St. Catherine.

Prospects for Canadian Goods

Canadian sales to Jamaica reached £7.8 million in 1960, according to Jamaican figures, or about 10.1 per cent of the import market, compared with 34.4 per cent for Britain and 24.4 per cent for the United States. The accompanying table gives details on the commodities traded.

JAMAICAN IMPORTS FROM CANADA

Total Imports—£7,838,979

	(in per cent)
Foodstuffs—53.2	
Fish (cured, canned, fresh)	22.9
Cereals (including flour 16.7 per cent)	21.3
Meats (cured, canned, fresh)	4.1
Fruit and vegetables (fresh and canned, including potatoes 1.1 per cent)	4.0
Beverages—3	
Tobacco—4.8	
Raw materials and manufactured goods—24.9	
Paper and manufactures	6.8
Textiles, clothing and footwear	4.1
Miscellaneous manufactures, furniture, fittings, etc.	4.0
Base metals and metal manufactures	3.3
Rubber and manufactures	2.1
Wood and manufactures	1.8
Hides and leather	1.8
Non-metallic products, glass, jewellery	.6
Machinery and transport equipment—12	
Machinery (non-electric)	7.4
Transport equipment	3.3
Electric machinery, appliances and apparatus	1.3
Chemicals—4.1	
Paints and colouring materials	1.6
Drugs and medicines	.9
Miscellaneous chemical products, plastics, insecticides	.8
Soaps, cosmetics, etc.	.3
Chemical elements and compounds	.3

In the first six months of 1961, Jamaica bought from us goods worth £3.72 million, compared with £4.0 million in the first half of last year. Our purchases from Jamaica (£13.6 million in 1960) totalled £6.3 million in the first half of 1961, compared with £7.3 million in the same period of 1960.

Although the boom in the Jamaican market last year has now passed, prospects are still good for Canadian firms with an aggressive selling policy. In dealing with Jamaican businessmen, the value of a personal visit from representatives of Canadian firms cannot be overemphasized. An excellent example of this is the market for electric appliances. Earlier this year the import duties on electric refrigerators, radios and phonographs were altered so that Canadian products now have a 10 per cent instead of a 5 per cent tariff advantage over their non-Commonwealth competitors. This advantage, combined with the drop in value of the Canadian dollar, should make Canadian prices of these products very competitive. Weighing against this is the fact that U.S.-made domestic appliances became entrenched in the local market during the period of dollar restrictions and most of the large distributors in Jamaica have spent time and money in advertising the products of their United States principals. They are naturally reluctant to introduce new lines, even though prices may be lower, and a personal visit is therefore essential if a satisfactory arrangement is to be reached.

Another important factor in selling in this market at the moment is willingness to extend credit. Up to now, most importers in Jamaica have operated on sight draft and have extended credit to their customers by obtaining it from the banks. As a result of restrictions on credit during recent months, the larger importers are either obliged to obtain from their suppliers terms of anything from 30 to 90 days or else to cease granting credit to customers and thus reduce the volume

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of their trade. Canadian firms will probably find during the coming months that they will be faced with requests from their agents in this area for terms ranging up to 90 days.

Although future prospects for increased trade are excellent, particularly now that the Canadian dollar has depreciated in value, Canadian exporters will face increasing competition from foreign suppliers and more important still, from local producers. Jamaican authorities are firmly committed to a policy of fostering local industry through tax incentives, protection from external competition, and other measures. Because of the small domestic market and lack of local capital, development will likely come in those industries that either use a good deal of labour or require relatively little equipment. Since protection frequently takes the form of import quotas, Canadian trade with this area during the next few years will undoubtedly show its greatest increases in raw materials for local industry and in manufactured goods requiring complex and costly equipment.

Political Future

Although Jamaica's decision in the referendum held on September 19 to secede from the West Indi Federation came as a surprise, loc officials have now set themselves tl task of building the island's eco omy into a strong, independe unit. It is still too early to tell wh problems will be encountere though most Jamaicans feel that tl resources of the island are such th a sound economy will final emerge. Both political leaders hav reconfirmed their belief in an o derly progress towards full dominic status on traditional lines within tl British Commonwealth of nation and in a bright future for the islan based on stable government an sound economic practices. ●

The Bahamas

Pay a personal visit to Nassau, says the author. The economy of the 700-odd Bahama Islands is expanding and Canadian prices are competitive—but long-distance selling is not likely to succeed.

C. G. BULLIS, *Assistant Trade Commissioner, Kingston.*

BAHAMIANS have at last found the key to their future prosperity. It lies in the development of the Out Islands, as yet unexploited. The Bahamas, a group of about 700 islands and 2,400 cays with none of the advantages of larger countries, depends for its prosperity on the beauty of its white sand beaches, coral reefs, clear shallow waters, and delightful year-round climate. These make it a yachtsman's paradise and an ideal spot for vacationers from harsher climes. The tourist trade is the main support of the Bahamian economy and the Out Islands, with unspoiled scenery and proximity to the United States coast, have a tremendous contribution to make.

Since the establishment of Nassau as the capital of the Bahamas in the late 17th century, nearly all progress has been confined to the city itself and to New Providence Island on which Nassau is situated. But nowadays "Nassau" is becoming less and less synonymous with "the Bahamas" in the minds of outsiders and more people are beginning to realize that the Bahama Islands cover an area of 4,466 square miles, of which New Providence Island totals only about 147. The tourist figures for the first four months of 1961 bear this out. Vis tors to Nassau and the Out Islanc together increased by only 3 pe cent over the same period of 196 but visitors to the Out Islands i creased 35 per cent. It is almo true to say that the growing pop larity of the Out Islands as a reso area saved the Bahamas from th tourist trade setback experienced 1961 by other Caribbean island and this despite the airline stri in February and the recession the North American econom Credit is due largely to U.S. trav agencies which are advertisir weekly package tours to the O Islands, to improved airline servi by Bahamas Airways and Mack Airlines, and to the growing numb of small hotels and guesthouses these islands. Tourist accommod tion has increased from 550 beds 1955 to 2,000 for the 1960/6 season. Mackey Airlines recent announced plans to build a cha of hotels throughout the Out Islan and the first of these, a 40-roo hotel on South Bimini (fifty mil

TOURIST ARRIVALS

	Nassau	Out Islands
1957	194,618	15,095
1958	177,867	18,791
1959	244,258	20,366
1960	305,553	36,424
1960 Jan.-April	116,990	11,931
1961 Jan.-April	116,528	16,179

ff the Florida coast), will be open or the 1961/62 season.

Development Schemes

Within the past two years foreign nvestors and local businessmen ave begun several projects for establishing residential developments n the Out Islands. Dumas International Limited is planning a club-otel, yacht, marina and shopping entre at Treasure Cay, Abaco sland, and Dr. Axel Wenner-Gren, Swedish financier, has invested $10 million in roads, powerlines, water upplies and deep-water canals on Andros Island and is selling over ,000 acres as residential lots. The most recent company on the scene is Palm Developers Limited which has urchased land for residential purposes on Eleuthera Island.

In addition to housing developments, several agricultural projects ave been initiated in the past year r so, mainly by U.S.-owned companies formerly operating in Cuba. With the aid of fertilizer, good-quality tomatoes, cucumbers, pineapples and other fruits and vegetables can be grown on the larger slands—Andros, Abaco and Eleuthera—and produce from farms here is now being exported to the United States.

Freeport Established

In 1955, the U.S. financier Wallace Groves obtained 234 square miles of land on Grand Bahama Island from the Bahamas Government, plus a grant of 30 years' freedom from all taxation, personal and corporate, and a 99-year exemption from excise and customs duty on all goods except those for personal consumption. This area, known as Freeport, has mushroomed overnight nd become an internationally nown business and industrial entre. Among the first undertakings as a bunkering station for ships, upplying fuel free of duty. This ation now refuels more ships than ll the bunkering stations in Florida ut together. Many U.S. firms have stablished offshore companies in Freeport to assemble, manufacture and market their goods, using tax advantages to make their products more competitive in world markets. In December 1960 the Bahamas Government signed a new agreement guaranteeing the earlier concessions and extending to Freeport employees freedom from customs duty on materials to build and furnish homes there. In return, Freeport contracted to build a deluxe 200-room hotel by December 1963, to build and operate free public schools, and to provide medical service—free for indigent persons and according to ability to pay for others.

U.S. Rulings Hit Economy

President Kennedy's announcement last May of plans to tax overseas subsidiaries of U.S. firms and to levy estate duties on overseas property owned by U.S. citizens constitutes a serious threat to Freeport and other development projects in the Bahamas that have been built up as a result of tax concessions. There is little doubt that the attractiveness of offshore subsidiaries would be diminished if the bill were passed. It is still under study by Congress.

Another blow came when the United States Government recently cut the duty-free allowance of returning vacationers from $500 to $100 per person, effective September 9. Nassau merchants depend very heavily on their in-bond sales to tourists and this new ruling will reduce their volume of business. The recession in North America has already resulted in lower retail sales during the first half of this year and the value of building permits issued to May 31—a fairly accurate indicator of business activity—was considerably below that of the first five months of 1960.

IMPORTS INTO THE BAHAMAS

	1958	1959	1960
		(in £'000,000)	
Total	**16.48**	**24.83**	**23.41**
of which:			
Canada	1.01	1.21	1.33
United States	8.61	13.91	12.32
United Kingdom	3.60	5.88	5.14

EXPORTS FROM THE BAHAMAS

	1958	1959	1960
		(in £'000)	
Total	**1,107.9**	**1,556.8**	**1,294.5**
of which:			
Canada	37.2	26.4	33.4
United States	1,032.8	1,491.5	1,228.1
United Kingdom	11.9	7.7	6.4

Canadian Exports Increase

Despite the drop in Bahamian imports in 1960, Canadian exports to the Bahamas increased by 10 per cent to $3.8 million. Since the Bahamas imports nearly all its foodstuffs and consumer products, the field is wide open to Canadian exporters, although stiff competition can be expected from suppliers located in Florida who have the advantage of proximity to the market and can promise delivery in two to three days. U.S. salesmen have easy access to Nassau and local merchants prefer to place small orders frequently rather than to tie up capital in stock. However, the Bahamas is largely a price market. Except for luxury goods imported solely for the tourist and in-bond trade, local merchants buy where prices are lowest and Canadian prices should now be very competitive. In addition to the recent drop in the value of the Canadian dollar, Canada enjoys a 10 per cent preferential margin on most products imported into the Bahamas.

The most pressing need, however, is for Canadian businessmen to visit Nassau. Local merchants have become accustomed to personal selling and it is unlikely that they will take the trouble to work out landed prices from a Canadian catalogue when a U.S. salesman stands before them with a set of samples and an order form. If Canadian wholesalers and export agents can offer the same on-the-spot service and regular deliveries, the advantages they have in tariff and dollar exchange should offset higher freight rates. They could win a fair share of the trade and expand their sales as the Bahamas market itself expands. ●

Trinidad and Tobago

Foreign trade, domestic production still expanding but with less momentum. Some import restrictions remain, but open market offered for wide variety of foodstuffs, consumer goods. Canada's share of import trade dropped slightly in 1960.

R. F. RENWICK, *Commercial Counsellor, Port-of-Spain.*

TRINIDAD AND TOBAGO'S trade and commerce has continued to expand, although more slowly than during the past five years.

The petroleum industry did better in 1960, the sugar crop and sugar exports were up, and foreign trade gained over 1959. An April 1960 census revealed that Trinidadians and Tobagonians now number 827,957, have a per capita income of $751*, and occupy an area of 1,980 square miles. Trinidad itself is an island approximately 37 miles wide and 50 miles long, and Tobago an attractive smaller island lying 20 miles north. Both are adjacent to the northeast coast of Venezuela.

The petroleum industry is all-important to the economy of Trinidad. In 1960, production of crude oil reached 42.4 million barrels, compared with 37.4 million in 1958. Last year for the first time imports of crude oil for refining (45.3 million barrels) exceeded domestic production. The result was that over 84.4 million barrels were refined in 1960, up from the 62.1 million processed in 1958. Labour productivity increased, because employment in the petroleum industry in 1960 was down to 17,916 staff, refinery, and field workers, compared with 18,613 in 1958.

Sugar, which ranks second only to oil among Trinidad's industries, currently gives employment to a slightly smaller number—about 17,400 compared with 19,700 four years ago. Sugar production in 1960 increased 20 per cent to 217,919 long tons from 181,130 in 1959. Estimates for the 1961 crop are optimistic—245,700 tons. Trinidad comes next to Jamaica and British Guiana in sugar production and has benefited from shipments of 10,500 tons to the United States as its share of the U.S. sugar import allocations to The West Indies and British Guiana. Most of Trinidad's sugar goes to the United Kingdom; Canada is also an important customer.

*Values unless otherwise indicated are in West Indian dollars. W.I.$1.00=Can.$0.60.

Controls Largely Removed

Total Trinidad imports in 1960, at $501 million, exceeded exports at $492 million. Over 75 per cent of exports consist of petroleum and products, with sugar and products and other agricultural commodities running a poor second. The biggest export market is the United Kingdom ($153.1 million), followed by the U.S. ($96 million), the Netherlands ($32.9 million), The West Indies ($26 million), and Canada ($25 million).

As reported in *Foreign Trade* last November, Trinidad has eliminated most import controls on Canadian goods. However, a considerable number of products—among them all papers, paperboard and manufactures, furniture, most types of knitted garments and all articles made of plastics—are still subject to import licences and quotas. These import restrictions are being retained primarily to encourage the development of local industry.

The recent referendum in Jamaica, as a result of which the largest and most heavily populated island of the Federation has voted to withdraw from it, should have no appreciable effect on Trinidad's trade over the near and mid-term. The Government of Trinidad and Tobago imposes its own import controls, administers its own tariff and collects its own Customs revenue. Some local businessmen claim that without a full-scale Federation or even with a type of formal or informal Caribbean Economic Community, development and growth of Trinidad's foreign trade with the other islands in the British Caribbean will not attain its full potential. For the present, however, Canadian exporters will find that their goods will enter Trinidad, as well as the other islands in the Caribbean, in precisely the same manner and under the same conditions as in past years.

Total Imports Up

Trinidad carries on a substantial entrepôt trade with adjacent Caribbean islands. Decreasing sales to the so-called "South Quay Schooner" ships' masters first became apparent as far back as September/October 1960 and subsequently sales t

IMPORTS INTO TRINIDAD AND TOBAGO

	1957	1958	1959	1960
	(in W.I. $ million)			
Total	**$355.84**	**$411.98**	**$448.11**	**$500.95**
Of which:				
United Kingdom	$129.1	$134.95	$146.3	$148.04
(percentage of total)	36.3	32.8	32.6	29.6
United States	$ 50.4	$ 57.3	$ 58.5	$ 69.0
	14.2	13.9	13.1	13.8
CANADA	$ 24.9	$ 25.2	$ 27.8	$ 27.7
	7.0	6.1	6.2	5.5
Netherlands	$ 12.2	$ 16.6	$ 19.7	$ 17.8
	3.4	4.0	4.4	3.6

Source: Central Statistical Office, Trinidad.

hrimati Moti Singh and her daughter drive home after a hard day's work in rinidad's sugar fields, taking with them a load of fodder for their little donkey nd their cow. Sugar ranks second only to oil among Trinidad's industries.

ome of the other distribution trades lso dropped. Main shopping-area etailers were those principally affected, as it is these firms that sell etter-class consumer goods rather han foods. Sales by clothing retailers have been noticeably affected over the past eight months, ith some of them inclined to attribute the drop to the tightening up f foreign exchange regulations in earby Venezuela. Venezuelan visitors and shoppers were not as umerous over the past half year as ey were in early 1960. Electrical ppliances did not move nearly as pidly as in the last quarter of 960, and some wholesalers reduced their stocks and purchases of onfectionery and fancy goods.

Nevertheless, as the table on page ten shows, Trinidad's imports are increasing steadily. These import figures are substantial, but the Canadian exporter of manufactured goods or food products looking for a large overseas market should keep in mind that imports of crude oil distort the trade picture; these were valued at $158.5 million, or 32 per cent of total imports for the January/December 1960 period of $500.9 million. The United Kingdom is by far the most important supplier, followed by Venezuela, with shipments of $111.5 million during 1960. Imports from Venezuela consist mainly of oil and therefore the Venezuelan figures are not given in the table of the most important overseas exporters to Trinidad of materials, manufactured goods and food products.

British, U.S. and Dutch exports to Trinidad are expanding with the general increase in Trinidad's imports. Canada's sales to Trinidad, on the other hand, are continuing at about the same level and therefore our share of the import market has dropped from 7 per cent in 1957 to 5.5 per cent in 1960.

Other important sources of imports into Trinidad are West Germany, Japan and Hong Kong. West Germany's share of slightly over $9 million has remained about constant over the past two years. Hong Kong's exports to Trinidad have increased by approximately $1 million to $5.1 million in 1960. In the same period, Japan doubled its sales from $3.2 million in 1959 to $6.5 million in 1960.

Canadian Trade with Trinidad

Canadian exporters, as demonstrated in the attached table, shared very slightly in Trinidad's increasing imports. Following a full year free of import controls, sales of Canadian automobiles to Trinidad rose from Can.$312,000 in 1959 to $846,000 in 1960, to take over second place in the list of exports. Other commodities—such as wheat flour, tobacco, salt fish and lumber—maintained their relative positions. Canadian newsprint entered Trinidad in a third greater volume because of the *Trinidad Guardian's* increase in circulation, size and advertising lineage.

Potato sales dropped substantially because of competition from the Netherlands and they disappeared completely from the list of the 15 most important Canadian exports to Trinidad. Other important products in the same category were leather footwear and synthetic fabrics, which were replaced in the list of export sales by electric refrigerators and paper bags. Sales of pickled beef, metal furniture (mainly dinette suites) and medicinal preparations were also significant. Wheat flour shipped to

WE EXPORTED TO TRINIDAD

	1957	1958	1959	1960
		(Can.$'000)		
Total Exports	**$11,811**	**$11,599**	**$12,705**	**$12,971**
Of which:				
Wheat flour	2,653	2,657	3,061	2,662
Automobiles	610	217	312	846
Tobacco	822	789	1,012	741
Salted cod	771	684	558	632
Planks and boards	377	586	381	613
Newsprint	340	312	308	418
Cotton fabrics	298	263	349	411
Canned sardines	181	252	295	281
Apples	94	116	203	275
Aluminum, semifabricated	....	00.6	67	232
Refrigerators	61	44	125	203
Canned salmon	140	173	188	202
Pickled pork	198	280	228	188
Barite	383	468	322	186
Paper bags	124	196	156	171

WE IMPORTED FROM TRINIDAD

	1957	1958	1959	1960
		(Can.$'000)		
Total Imports	**$ 8,205**	**$ 9,851**	**$12,764**	**$14,512**
Of which:				
Crude petroleum	3,491	453	7,471	6,495
Sugar	2,873	2,297	2,188	3,963
Heavy fuel oils	....	....	386	1,522
Light fuel oils	....	....	1,120	1,216
Rum	388	455	488	471
Molasses	943	600	355	390
Cocoa beans	90	410	305	83
Citrus juices	13	37	15	75
Coffee	134	174	110	68

Source: DBS.

Trinidad from Canada is currently high-grade, prepackaged flour for the store trade, or strong grades of flour for specialty (hops bread) bakers.

Industrial Expansion

With the completion of Texaco Trinidad Inc.'s impressive multi-million dollar expansion of production at its Pointe-à-Pierre refinery, the program of the Trinidad and Tobago Electricity Commission to build a 100,000 kw. thermoelectric plant at Port-of-Spain is the island's most important industrial project. In addition to new distribution facilities and a generating station at Port-of-Spain, the plan involves the construction of a 41-mile pipeline to transport natural gas from the oilfields around San Fernando to the plant. The total cost of the project is estimated at about $65 million. In August the World Bank approved a loan of U.S.$23.5 million to the Government of Trinidad and Tobago, guaranteed by the British Government, to help finance the development program over a period of twenty years, with repayment to begin in January 1966. Canadian banks and insurance companies were among the 12 private financial institutions which participated in the loan to the extent of U.S.$14.8 million without the World Bank guarantee.

Trinidad's Industrial Development Corporation has earmarked dozens of industries for government assistance under its Pioneer Industries legislation. Between October 1956, when the IDC began operations, and the end of August 196 the Corporation assisted 32 pione industries to become established the territory; these industries wi ultimately employ about 3,375 pe sons. Up to September 1961 th IDC had received 53 application for pioneer status, of which 26 we approved. Estimated capital inves ment for these 26 enterprises wi range well over $100 million. I 1960, 21 applications for the gra of pioneer status were approved.

In the past year, construction b gan on a milk condensery whic will shortly be in production. Inte national Foods Limited, a Port-o Spain firm, opened a new 2,400-tc capacity cold-storage warehouse. is expected that two new pai plants will soon be operating and third, which suffered a disastro fire, will be in business again. company based in British Guiana building a new lithographing plan Also under construction is a pione plant for the manufacture of ti cans, an overseas investment by th Metal Box Company of Englan one of the world's largest manufa turers of metal containers. Amon the food-processing plants und consideration are a tuna-fish pack ing plant and a flour mill.

Canadian Investment

Among the Canadian corpor tions that have identified themselv with Trinidad's future prosperity the Intercontinental Grain Co. Lt of Toronto, which brought its pe splitting, polishing and packagin mill into production early in 196 incorporating as the Caribbean Mil ing Company. In March it was a nounced that Thomson Newspape of Canada had bought out th Trinidad Publishing Co. Ltd. whic publishes the morning *Trinida Guardian* (circulation 47,000), th most important daily newspaper i the Eastern Caribbean, as well the local *Evening News*. Thomso Newspapers at the same time a quired the *Guardian's* commerci printing business and Radio Guar ian, one of Trinidad's two broa casting stations. At midsumme

Combined Enterprises Limited of Toronto purchased the outstanding shares of the Trinidad Co-operative Lime Juice and Products Co. Ltd., which they will operate in conjunction with Stuart Bros. (West Indies) Limited, a well established plant manufacturing essences and fruit-flavouring extracts.

The West Indies Federal Development Loan Guarantee Fund has recommended a lengthy list of industries as providing a chance for profitable investment. Among these are: assembling watches, radios, and bicycles; cornmeal industry; bakeries; dairy products; sawmills; furniture; pharmaceuticals; plastics, and other small industries such as boat-building. In addition to assistance under Trinidad's Pioneer Industries legislation, the Loan Fund is in a position to offer modest medium/long-term credit facilities to local firms at very reasonable cost.

During the past year Homes International of Puerto Rico made a good start on alleviating Trinidad's critical housing shortage when it began building residences at the Diamond Road housing project in Diego Martin Valley, a Port-of-Spain suburb. Its long-range plans envisage the construction of a community with 2,000 medium-priced dwellings. The Government of Trinidad and Tobago is continuing its efforts to attract overseas investment in the construction of the many low-cost dwellings still needed for the expanding population. ●

Barbados

Opening of deep-water harbour should benefit island's economy; some small industry is moving in. Canadian sales down last year as competition stiffened, especially in agricultural products.

R. L. RICHARDSON, *Assistant Commercial Secretary, Port-of-Spain.*

TRADE in Barbados moved ahead in 1960, with an improved sugar crop and an increase in revenue from tourists. An island of 166 square miles, Barbados supports a population of 240,000 (1,450 per square mile), mainly on earnings from sugar and the tourist trade.

The completion of a deep-water harbour this year at the capital, Bridgetown, is the most important economic development in the island for some time. The harbour is 32 feet deep and provides berths for six ships at a time which can bunker while loading or unloading. Bulk loading of sugar at the rate of 500 tons per hour instead of by bag at 100 tons will give a major boost to the sugar industry, which accounts for over 40 per cent of the national income. Several shipping lines announced shortly after the opening of the harbour that they would use Bridgetown as a transhipping point. Freighters can now dock alongside. This eliminates lighterage charges and is an added convenience to the many tourists who visit the island.

The sugar crop of 1959/60 totalled 154,000 tons and estimates for the 1960/61 crop are slightly higher, at 159,000 tons. Both these yields are considerably below the five-year average of 170,000 tons. The soil and climate of Barbados are ideally suited to sugar and every available acre of land is used for this one crop. In the Scotland district in the northeastern section of the island, land previously of no value because of the salt water erosion has been reclaimed and most of it planted in sugar cane.

Development Studied

The tourist trade earned a record W.I.$8.75 million in 1960 from 40,785 visitors. These figures compare favourably with a revenue in 1959 of W.I.$7.49 million from 31,992 tourists. In the 1961 season there were fewer visitors but hotel construction continues. Investors, including Canadians, have built and are planning to build more and better hotels to serve the tourist trade. Accommodation at the end of 1960 included 57 hotels and guesthouses, capable of catering to 2,000 tourists.

The Barbados Government realizes that the economy is vulnerable because the sugar crop depends on the weather and the tourist trade on economic conditions in overseas countries. The Barbados Government this year completed an economic study that provides the basis for a five-year development program aimed at diversifying production and building up a more self-sustaining economy. Secondary industry must be geared to a small market but, spurred on by government incentives, a number of industries are being established. In 1961 a brewery, brick factory and a shirt factory have gone into production. A cold storage plant and abattoir is to be built in 1962 to assist the local flying-fish industry.

Trade Reaches Record

Barbados, often called "Little England", is conservative by nature and the United Kingdom still

Note: All currency in W.I. dollars unless otherwise stated. Rate—W.I.$1.00=Can. $0.60.

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dominates its trade. Imports reached a new high in 1960 at $83.3 million, up from $74.8 million in 1959. The United Kingdom still supplies close to 40 per cent of all imports. Canada relinquished its position as the second largest supplier to the United States and at the same time lost ground to competitors from the Netherlands and West Germany. The table on the right shows the major suppliers and the changes in 1960 over 1959.

Canadian Trade

In 1959 Canada's imports from Barbados reached Can.$4.7 million, exceeding our exports to that market (Can.$4.1 million). In 1960, our sales fell to $3.8 million and our purchases to Can.$2.8 million. Our imports from Barbados are almost entirely (98 per cent) made up of three products—sugar, rum and molasses—and the poor sugar crop was mainly responsible for the drop in imports.

Canadian exporters of automobiles, newsprint, mixed feeds, paper bags, paints and footwear enjoyed increased sales. Automobiles showed a particularly significant increase, reflecting the removal of import controls. Exports of salt cod and canned sardines, both staple foods, increased. Lumber, our largest export, was down slightly because of smaller sales of white pine; sales of spruce increased and those of Douglas fir from the West Coast held steady.

VALUE OF IMPORTS INTO BARBADOS

	1959	1960
	(millions of W.I.$)	
Total Imports	**$74.8**	**$83.3**
of which:		
United Kingdom	29.9	32.7
	40 %	39.3%
United States	8.7	10.9
	11.6%	13.1%
Canada	8.8	8.6
	11.8%	10.3%
Netherlands	3.5	4.6
	4.7%	5.5%
West Germany	1.7	2.3
	2.2%	2.8%
West Indies	7.4	8.5
	9.9%	10.2%

Forty per cent of our sales to Barbados consist of agricultural products and it was in this sector that our sales declined most (ov Can.$400,000) in 1960. The lo in flour sales was the most seriou competition from the United State Puerto Rico and France increase Packaged flour is supplied fro Canada and sales are increasi slowly. The Barbadian, unlike t Trinidadian, does not shift to ne products quickly and many still b flour in brown paper bags filled the shopkeeper. Canadian sales other food staples, such as pickl pork, cornmeal, potatoes a onions, also declined. The accor panying table compares our 19 and 1960 exports to Barbados.

CANADIAN EXPORTS

	1959	1960
	(Canadian dollars)	
Total	**4,102,920**	**3,774,623**
of which:		
Lumber	508,257	478,569
Pickled pork	499,583	458,994
Flour	501,943	320,202
Salted cod	275,627	293,072
Mixed feeds	174,700	188,826
Cornmeal	164,202	135,282
Sardines	108,985	127,077
Tobacco	126,144	123,622
Automobiles	17,622	72,610
Tallow	132,310	70,934
Paints	53,610	65,715
Newsprint	36,334	62,559
Cotton fabrics	71,164	60,000
Footwear, leather	52,486	57,746
Synthetic fabrics	50,319	41,626
Paper bags	30,847	36,870
Potatoes	96,043	19,738
Onions	21,282	12,963

Source—DBS.

In the first five months of th year, our sales have risen—to $1.7 million from $1.45 million in 196

The fact that exports from Ca ada to Barbados in 1960 consiste of over 300 different types of proc ucts means that Canadian exporte must compete in a market whe sales of many items are limited i value. However, once an export is established in the larger marke of Trinidad and British Guian there is little additional cost i volved in establishing an agent i Barbados—an integral part of th Eastern Caribbean market. ●

Bridgetown's new deep-water harbour, officially opened in May by Sir Grantley Adams, took over three years to build. Six ships can be berthed at once and cargo can now be unloaded or loaded directly, without the need for using lighters.

Canada in West Indian Markets

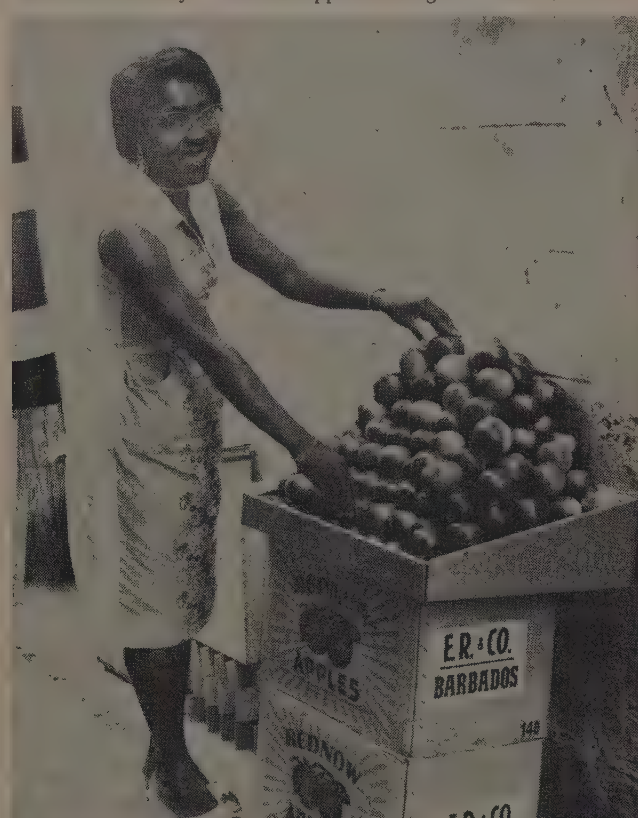
anadian exporters are invited to contribute to is series photographs of their products in use or n sale in foreign markets. Photographs should e adequately captioned, protected for mailing, nd addressed to: The Editor, "Foreign Trade".

Trinidad—Another bag of Canadian flour on its way to a Trinidadian kitchen. The price tag is startling until you realize that one West Indian dollar equals only 60 cents Canadian.

Jamaica—Mr. Robinson, a worker in a Jamaican shoe factory, uses Canadian leather and a Canadian-made clicking machine to cut out the uppers for a pair of men's shoes.

In Jamaica—Stowed in the hold of a freighter for Jamaica, this recent shipment of table salt is the Canadian producer's first to the island; marks also the opening of a new market.

In Barbados—Apples are as popular a refreshment here as soft drinks are in Canada, and street vendors like this young woman sell many Canadian apples during the season.



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Windward Islands

New light industries, diversified agriculture and larger tourist earnings are improving the standard of living and increasing demand for consumer imports, such as electrical appliances and cars.

JOHN A. AHOW, *Commercial Assistant, Port-of-Spain.*

THE Windward Islands—Grenada, St. Lucia, St. Vincent and Dominica—have a population of 314,000 (last April's census figure), 62,000 or 24.8 per cent more than the previous 1946 census figure of 252,000. Their economy depends on tropical agriculture and an expanding tourist industry but they are not yet self-supporting. To balance their budget, the British Government gives financial assistance in the form of grants-in-aid. They also receive Colonial Development and Welfare grants and financial and technical aid from Canada and the United States for several development projects.

Grants-in-aid totalled W.I.$5.3 million in 1960 and will reach W.I.$6.1 million in 1961. Table I shows the amounts each territory received from 1959 to 1961, and gives estimates of government expenditure for 1959 and 1960.

Trade with Canada

Canada's imports from the Windward and Leeward Islands in 1960 showed a decrease of almost Can.$1 million from a total of $2 million in the previous year; our exports to the area increased to Can.$4.7 million from $4.4 million in 1959. The principal exports from Canada are shown in Table II.

Imports into the Windward Islands are rising steadily. Table III shows the totals and the three principal suppliers for each of the territories from 1958 to 1960.

In July 1960, because of hurricane damage to the banana industry of St. Lucia, the minimum weight for a stem of bananas acceptable for export was reduced from 18 to 16 pounds for July to December. A greater volume of smaller banana stems was therefore shipped from Dominica, Grenada and St. Vincent.

In general, retail trade has been slow but commitments are reported to be well met and demand for building materials continues high. A few light industries are being set up and with the continuing hotel construction and government-initiated development projects, the economy is steadily expanding and the standard of living rising. Prospects for increasing Canadian exports of electrical appliances, refrigerators, automobiles and other capital goods appear good.

Dominica

In 1960, exports from Dominica totalled W.I.$7.3 million, or about 10 per cent more than the $6.6 million of 1959. Imports increased by 12 per cent—from W.I.$9.9 million in 1959 to $10.1 million—leaving a trade deficit for 1960 of W.I.$2.8 million.

Exports of bananas, the chief crop, reached some 28,000 tons in 1960 and, together with copra, the price of which increased by W.I.$20 a ton to $340 a ton, accounted mainly for the increase in exports. Barbados buys the entire co[…] crop and bananas go chiefly to [the] United Kingdom. Small shipme[nts] of cocoa beans, vanilla, lime ju[ice] and essential oils went to Can[ada] and the demand for tamarinds [and] molasses, chiefly from the Uni[ted] States, could not be met. Grapef[ruit] exports to the U.K. continued.

Air arrivals in 1960 numbe[red] 2,265, as compared with 1,098 [the] previous year. A permanent land[ing] strip is under construction; it [and] the hotel built recently at M[…] Beach by a Canadian company [should] give a boost to the tourist indus[try].

Grenada

Production of nutmeg, the p[rin]cipal crop, is rapidly increasing [but] has not yet got back to pre-19[55] totals—the year Hurricane Ja[net] severely damaged the plantatio[ns]. Prices for nutmeg and mace drop[ped] during 1960 and despite a lar[ger] volume of exports, the value [went] down. Cocoa production is incre[as]ing and from January to Septem[ber] 1960 the island exported 32,[…] cwt. compared with 38,016 for [the] whole of 1959. Banana exp[orts] totalled 27.3 million pounds val[ued] at W.I.$1.5 million, compared w[ith] 31.0 million valued at W.I.$[…] million in 1959. Copra, previou[sly] exported, is now being proces[sed] into edible oil in a newly establis[hed] factory, which also makes laun[dry] soap.

Government as well as priv[ate] enterprise has been injecting la[rge] sums of money into the econo[my]. Water wells are being drilled in [the] southern end of the island for […]

TABLE I

WINDWARD ISLANDS

GRANTS-IN-AID AND ESTIMATED EXPENDITURES

Territory	Grants-in-Aid 1959	1960	1961	Estimated Expenditures 1959	1960
			(W.I.$'000)		
Dominica	1,280	1,357	1,673	5,465	5,634
Grenada	1,280	1,568	1,700	7,097	7,328
St. Lucia	999	1,175	1,450	6,042	5,661
St. Vincent	1,364	1,237	1,285	5,591	4,831
Total	**4,923**	**5,337**	**6,108**	**24,195**	**23,454**

Source: Territorial Estimates, and Barclays Bank *Overseas Review.*

ourist resorts and hotels planned here, as well as for industrial de-elopment. The Annendale Falls cheme, which will augment the vater supply to St. George's, the apital, is progressing. A govern-ment debenture loan of W.I.$1.5 nillion for the improvement of vater supplies and telephone ser-ices was over-subscribed by W.I. 500,000. A new power station is eing erected which will supply elec-ricity to the entire island. Two enerating plants with a total apacity of 96.5 kilowatts, sufficient o meet the needs of the adjacent ependent island of Cariacou, have ecently been installed.

There were 7,326 stay-over visi-ors to the island in 1959 who spent n estimated W.I.$1.6 million; otels during the 1961 season were eported full.

t. Lucia

The economy of St. Lucia showed general improvement in 1960. here was little unemployment and ost estates suffered from labour hortages because of the mass emi-ration to Britain and drifts to eighbouring islands during their rop seasons. Following talks on the evision of the bases agreement with he United States, St. Lucia will eceive U.S.$350,000 in grants and these will go toward the improve-ment of electrical services and roads and a new secondary school.

The Government is developing land for a new residential area. Building sites are becoming difficult to obtain and land values are rising steeply.

The Vigie Airport runway has been extended and *Viscounts* and DC6's now put down there safely. This has led to increased interest in hotel development and a new hotel is being constructed at beauti-ful Reduit Beach. There were 5,200 visitors to the island last year, in-cluding 2,858 cruise passengers.

Hurricane Abby in July last year damaged 70 per cent of the chief crop, bananas, but some W.I.$500,-000 has been paid out to planters in crop insurance. The industry has now fully recovered and 1961 promises to be a good year. Copra production reached a record 3,759 tons valued at W.I.$1.2 million last year and this year's crop is ex-pected to be larger. The increase in price of copra (to W.I.$340 a ton) and the establishment of an edible oil processing plant have both led to greater production.

Sugar fell to a low 5,448 tons in 1960, compared with 9,314 tons in 1957. The industry is losing to other crops its former importance in the economy. Land in the Cul-de-sac Valley previously under cane is now under bananas.

TABLE II

RINCIPAL CANADIAN EXPORTS TO THE WINDWARD AND LEEWARD ISLANDS

	1958	1959	1960
	(Can.$'000)		
otal	**4,274**	**4,437**	**4,729**
f which:			
lour of wheat	1,696	1,738	1,728
odfish, salted	500	497	569
umber	319	392	331
ilk powder, whole and skimmed	28	58	183
rdines, canned	118	147	147
ixed feeds	120	163	130
otton fabrics, n.o.p.	92	39	119
ollock, dried salted	127	150	113
rk, pickled	116	67	85
addock and cusk, dried salted	47	50	80
ssenger automobiles	12	18	49
acaroni and spaghetti, n.o.p.	25	43	41

TABLE III

WINDWARD ISLANDS IMPORTS

	1958	1959	1960
	(W.I.$'000)		
Dominica	**8,800**	**9,900**	**10,000**
Canada	1,300	1,200	1,200
Britain	3,300	3,500	3,600
United States	900	1,000	1,200
Grenada	**10,900**	**12,700**	*
Canada	1,200	400	
Britain	4,200	4,500	
United States	1,600	1,400	
St. Lucia	**9,000**	**10,100**	**5,300†**
Canada	1,400	1,500	800
Britain	3,400	3,900	2,100
United States	900	900	500
St. Vincent	**10,700**	**10,500**	**13,000**
Canada	1,300	1,300	1,500
Britain	3,900	4,100	4,900
United States	1,100	1,000	1,500

*Data not available.
†Imports for Jan./June, only.

St. Vincent

No marked improvement took place during 1960 in St. Vincent's economy, dependent as it is on agriculture—it was a poor year for crops. But the Government is speeding development plans and this, plus the assistance being given by Canada, makes the future look brighter. Imports in 1960 totalled W.I.$12.9 million, an increase of more than 20 per cent over 1959's $10.5 million; exports declined 10 per cent to W.I.$6 million from $6.6 million. The volume of imports in 1960 also increased to 46,000 tons from 42,000 in 1959. Exports dropped to 33,000 tons from 35,000.

Production of arrowroot, which has given way to bananas as the chief crop, fell to 32,835 barrels (200 pounds each) from 34,548 in 1959 and 37,446 in 1958. Un-favourable weather affected starch yield and in recent years the acre-age planted has steadily declined. The 1961 crop is estimated to be larger, however.

Banana exports also dropped—to W.I.$2.8 million from $3.3 mil-lion in 1959—but with increasing stem weight (attributed to better cultivation and leaf-spot control) production is expected to rise con-siderably. Some large growers have installed irrigation systems and a brighter future for the industry seems assured.

Copra output is climbing steadily; 6.5 million pounds were harvested in 1960 as against 5 million in 1958. Almost all of it is exported to Barbados for making edible oil, laundry soap and margarine.

The sea island cotton industry has declined considerably and only 215 bales of 400 pounds each were produced in 1960 as against 585 in 1959 and 460 in 1958. The 1961 crop is estimated at a low 105 bales; the acreage planted declined from 2,100 in 1959 to 250 this year.

Sugar suffered from dry weather and a switch-over of land to bananas, decreasing to 3,619 tons from 4,122 tons in 1959. This year's cane harvest is estimated to be even less but new equipment recently installed is expected to improve extracting processes and slightly increase sugar tonnage.

Plans for construction of a deep-water harbour in Kingstown are being prepared, following completion of surveys. The Canadian Government has given $1 million and technical aid toward this project. At Richmond a hydroelectric scheme is under construction and should be completed soon. The Arnos Vale airport runway has been extended and a new $122,400 terminal building is being built.

Twenty per cent more visitors came to the island in 1960 than in 1959 and the extended runway made possible 2,100 more arrivals by air.

The economy of the Windwa[rd] Islands is steadily improving, a[s] construction and development pr[oj]ects have increased over the p[ast] year. Increases in wages for ind[us]trial and agricultural workers a[nd] civil servants in some of the islan[ds] should mean a better market f[or] imported goods. Assisted by a reg[u]lar shipping service from Easte[rn] Canadian ports, Canadian supplie[rs] might well expand their sales [in] these areas. ●

Leeward Islands

Bad weather has hit some crops but others are being planted experimentally; new earnings from agriculture and the tourist trade make this small, growing market of special interest to Canadian exporters of cars, building supplies, and other products.

JOHN A. AHOW, *Commercial Assistant, Port-of-Spain.*

THE population of the Leeward Islands—Antigua, Montserrat and St. Kitts-Nevis-Anguilla—has reached 122,994 according to the 1960 census, an increase of 20.2 per cent over 102,333 in 1946. Over the 14 years, the average annual rate of increase was 1.3 per cent.

The economy of these islands depends mainly on agriculture (sugar and sea island cotton) and is assisted by grants-in-aid from the United Kingdom. Antigua received W.I.$1.54 million in 1960 and $1.4 million in 1961 in grants-in-aid, and Montserrat received W.I.$914,000 and W.I.$1.06 million.

Imports into the Leeward Islands are going up. The accompanying table shows total imports and the three principal suppliers for each of the territories from 1957 to 1959.

Recently imports from South Africa were banned and this may be expected to result in increased demand for canned foodstuffs, peanut butter and canned fruits from other sources, including Canada.

Trade has been slow but there is a continuing market for building materials and hardware and commitments are reported to be met punctually.

Antigua

Antigua again had poor sugar and cotton crops because of unfavourable weather. Less cotton was produced in 1960 than in 1959 and the 1961 crop of 190,800 pounds clean lint is the lowest since 1947. The 1961 sugar crop is expected to increase slightly.

The tourist industry continues to expand. Several new hotels were established last year and six more will probably be completed this year. The number of visitors increased over 1959 and some of the hotels reported much more trade this season than they expected. The Government has built a new airport terminal building and the airport runway is to be extended this year. A deep-water harbour at St. John's, to cost an estimated W.I.$4 million, and expanded electricity and tel[e]phone services are also planne[d]. The revised bases agreement wi[th] the United States will bring in U.[S.] $150,000 for the harbour a[nd] $218,000 for the runway from t[he] U.S. Operations Mission.

In the private investment secto[r] one of the major developments e[x]pected in the near future is t[he] establishment of a brewery.

St. Kitts-Nevis-Anguilla

The sugar crop in 1960 reache[d] 50,179 tons, or about 4,000 to[ns] more than in 1959. The expecte[d] record 1961 crop was seriously h[it] by a number of cane fires and sug[ar]

LEEWARD ISLANDS IMPORTS

	1957	1958	1959
	(W.I.$'000)		
Antigua	**11,400**	**13,400**	**14,000**
Canada	1,900	1,500	1,700
Britain	4,100	5,800	5,900
United States	1,500	700	1,900
Montserrat	**1,300**	**1,500**	**1,900**
Canada	300	200	300
Britain	400	600	700
United States	100	100	100
St. Kitts-Nevis-Anguilla	**10,300**	**11,400**	**12,100**
Canada	*	1,800	1,700
Britain		4,200	4,400
United States		1,400	1,500

*Data not available.

output is now expected to fall short of 1960's total. Last year's cotton crop produced 234,500 pounds of clean lint and 20,600 pounds of stained lint but the 1961 crop is expected to be only about 50 per cent as large.

In an effort to diversify agriculture, officials have planted some 150 acres of castor beans as an experiment. If the results are good, peasant farmers would benefit greatly; markets for this product are reported to be available in Britain and the United States. Trial plantings of tomatoes have been made and a tomato-processing plant is under consideration.

In the industrial sector, a new brewery is expected to be in production shortly. Edible oil from copra is being produced for local consumption in a plant recently set up in Nevis. This plant can absorb the territory's entire copra production, which in previous years was exported to Barbados for processing. Planting of coconut trees is being accelerated.

To encourage the tourist industry, the St. Kitts airport runway has been extended to handle larger aircraft. Construction of a large modern hotel at Fort Thomas, a commanding site on the outskirts of Basseterre, the capital, is planned, and a small hotel has been built at beautiful Cockle Shell Bay.

Construction of a modern hotel in St. Kitts and completion of the main road around the island of Nevis are included in government estimates.

Montserrat

In 1960, Montserrat exported $200,000 worth of cotton lint, its chief crop, but this was less than 50 per cent of the previous year's figure. Exports of bananas, a new crop, are steadily increasing while exports of cottonseed cake and meal, tomatoes, tamarinds and cattle have remained steady. The tomato-processing plant established by a Canadian-owned company is in operation.

Imports of motor cars, which reached only W.I.$27,000 in 1958, jumped to W.I.$124,000 in 1960. Flour from Canada, valued at $109,000, took second place.

Market Growing

With a slowly expanding economy, continued new construction (both private and government), and establishment of light industries, the Leeward Islands offer a small but growing market to Canadian exporters of compact cars, lumber and hardware, hotel furniture and furnishings, boots and shoes, canned foodstuffs and fruits, and electrical household appliances. ●

SHIPPING SERVICES FROM CANADA TO THE WEST INDIES

FROM

TO:	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
Bahamas			Saguenay Shipping Ltd. *(Saguenay Shipping Ltd., Montreal)*
Barbados		Saguenay Shipping Ltd.	Royal Netherlands Line *(Montreal Shipping Co. Ltd., Montreal)*
Jamaica	"K" Line *(Johnson Walton Steamships Ltd., Vancouver)*		Canada Jamaica Line *(Kerr Steamships Ltd., Montreal)* Saguenay Shipping Ltd.
Leeward and Windward Islands			Saguenay Shipping Ltd.
Trinidad	Mitsui Line *(Pacific Export Lines Ltd., Vancouver)* Moore-McCormack Lines *(Balfour, Guthrie (Canada) Ltd., Vancouver)*	Michigan Ocean Line *(Robert Reford Co. Ltd., Montreal)*	Michigan Ocean Line Royal Netherlands Line Saguenay Shipping Ltd.

From 1952 to 1960, imports into the West Indies almost doublec Canada is sharing in this expanding trade; is introducing new prod ucts side by side with the traditional best sellers.

M. V. McCORMICK, *International Trade Relations Branch.*

Canada's Trade with the West Indies

CANADA and the West Indies have many bonds of mutual interest and points of contact which have been developed through their association in the Commonwealth and the Western Hemisphere and through their long-standing trading relations. Trade between the two areas has been carried on for more than two centuries and over this period it has increased greatly in both size and variety. Many factors have favoured the building up of this trade. The economies of the two areas are complementary. Their climates and natural resources are very different but geographically the areas are quite close. The two countries give tariff preferences to each other and these are important in facilitating a mutually profitable trade. There is a substantial amount of Canadian investment in the West Indies and a number of Canadian firms, as well as banks and insurance companies, operate there. The interchange of trade missions and official visits has strengthened the connections. Canada has also sponsored two very successful trade fairs in the area. Contacts between Canada and the West Indies are being further promoted today by the increasing flow of Canadian visitors to the islands and of West Indian students to Canada.

Another factor that has enhanced the relations between the two countries was the institution by Canada in 1958 of a program of economic assistance to the West Indies that involves an expenditure of $10 million over a five-year period. From this grant two ships have been built for an inter-island shipping service that should increase trade between Canada and the British Caribbean. The first of these two ships, the M.S. *Federal Maple,* arrived in Port-of-Spain, Trinidad, on August 16 and has since been joined b her sister ship, the M.S. *Feder Palm.* Canada has, as well, supplie technical advisers to the Federatio and provides training facilities i Canada for nominees of the Wes Indies. In addition Canada has ca ried out survey projects on beha of various West Indian areas.

Market Expanding Rapidly

Canada and the West Indies hav much to offer and much to exchang and the commodities they produc provide fine opportunities for mu tual trade. In early times, Wes Indian trade with Canada was con fined within narrow limits and wa carried on chiefly with the Maritim Provinces. It consisted mainly o the exchange of sugar and its by products, molasses and rum, for th fish, forest and agricultural product of Canada. Although these product remain the mainstay of the two-wa exchange, the trade has becom more diverse in recent years.

The two areas now exchange an nually close to $100 million wort of goods. As shown in the accom panying tables, Canadian exports t the West Indies were valued at $4 million in 1959 and $39.5 million i 1960. For the first five months c 1961 they totalled $16.7 millior compared with $16.5 million for th similar period in 1960. The prin cipal Canadian exports to the Wes Indies are wheat flour; saltec pickled and canned fish; meats; to bacco; lumber and newsprint. Th West Indies, however, is a rapidl growing market for a wide variet of other goods of interest to Canada especially manufactures. In fact, i is Canada's fourth largest mark for manufactured goods. Canadia exports of motor vehicles and part to the West Indies were valued a $589,000 in 1958, $993,000 i

1959, and $2,132,000 in 1960. Other Canadian exports on the upswing are cotton fabrics (which increased from $626,000 in 1959 to $858,000 in 1960), medicinal preparations (from $321,000 in 1959 to $420,000 in 1960), and boots and shoes (from $325,000 to $383,000). The West Indian market is expanding at a rapid pace. Total imports into the West Indies from all sources increased over 90 per cent from 1952 to 1960 so that there are more and more opportunities for larger sales of Canadian products.

Buying from West Indies

Canadian imports from the West Indies have also increased considerably in recent years. In 1960 these imports were valued at $56.1 million, compared with $50.8 million in 1959 and $43 million in 1958. For the first five months of 1961 they rose to $22.6 million from $19.6 million for the same period of 1960. In 1960, the West Indies was Canada's fourth largest market in the Commonwealth and our second largest source of supply in the Commonwealth.

In recent years, Canadian imports of bauxite and alumina have exceeded those of raw sugar, the product of traditional importance. Although raw sugar is high on the list of West Indian exports into Canada—sales were valued at $15.8 million in 1959 and $14.1 million in 1960—imports of bauxite and alumina increased from $19.0 million in 1959 to $26.5 million in 1960. Crude petroleum and fuel oils are other West Indian products that are being imported into Canada in increasing quantities.

Trading Relations

Trading relations between Canada and the West Indies are still ruled by the Canada-West Indies Trade Agreement of 1926, which replaced the earlier ones of 1912 and 1920. The Treaty provides that for specified products, including flour, dairy products, meat, fish, apples, potatoes, alcoholic beverages, confectionery, cement, and boots and shoes, specified margins of preference are granted to imports from Canada. For other products, the duties on Canadian goods may not exceed certain percentages of the most-favoured-nation rates, and these percentages vary in the different islands. By the terms of the Agreement, most products that the West Indies ship to Canada (other than sugar, tobacco and spirits) are granted duty-free entry, and bound margins of preference are granted on virtually all dutiable imports, including sugar.

Canada has in much of the postwar period been unable to take full advantage of the benefits of the Agreement because of import restrictions imposed by the West Indies on dollar goods. Now only a few products of interest to Canada remain under control in some of the territories and the market is largely wide open to Canadian exports.

During the past two years, the ten territories forming the West Indies Federation have been working out a scheme for the establishment of a customs union that would involve the replacement of their existing tariffs with a common external tariff. It was recognized that this would necessitate the negotiation of a new trade agreement between Canada and the Federation, and towards this goal, preliminary trade discussions were held between officials of the Canadian and West Indian Governments last August. However, in a referendum held on September 19 last Jamaica voted to secede from the Federation and to seek independence on its own some time in 1962. The other nine territories have not yet indicated whether or not they will continue as a Federation without Jamaica. These developments have brought into question the plans for the formation of a customs union. ●

CANADIAN EXPORTS TO THE WEST INDIES

	1959	1960	(5 mos.) 1961
	(Can.$'000)		
Trinidad	12,705	12,971	5,356
Barbados	4,127	3,775	1,733
Jamaica	18,791	18,056	7,659
Leeward and Windward Islands	4,452	4,729	1,944
Total	**40,075**	**39,531**	**16,693**
Flour of wheat	8,209	7,320	
Salt and pickled fish	4,933	4,868	
Canned fish	1,931	2,053	
Meats	2,115	2,463	
Tobacco	1,976	1,538	
Lumber	1,510	1,443	
Cotton fabrics	626	858	
Newsprint	979	1,119	
Mixed feed	434	380	
Medicinal preparations	321	420	
Paints, enamels, varnishes	523	321	
Manufactures of iron, n.o.p.	246	136	
Motor vehicles and parts	993	2,132	
Cornmeal	286	211	
Upper leather	272	249	
Boots and shoes	325	383	
Wrapping paper	175	90	
Paper bags	204	223	
Machinery and parts, n.o.p.	258	275	
Potatoes	566	340	

CANADIAN IMPORTS FROM THE WEST INDIES

	1959	1960	(5 mos.) 1961
	(Can.$'000)		
Trinidad and Tobago	12,764	14,512	4,269
Barbados	4,770	2,854	1,643
Jamaica	31,274	37,688	16,530
Leeward and Windward Islands	1,992	1,059	194
Total	**50,800**	**56,113**	**22,636**
Bauxite alumina	19,072	26,500	
Raw sugar	15,792	15,101	
Crude petroleum	7,471	6,495	
Molasses	2,305	1,636	
Rum	1,252	1,108	
Fuel oils	1,506	2,739	
Cocoa butter	828	646	
Cocoa beans	698	500	
Pepper, mace and nutmeg	319	481	
Coffee, green	211	180	
Arrowroot	41	51	
Spices and ginger, unground	88	117	

Bedecked with flags, the M.S. Federal Maple, *first of Canada's two gift ships, moves into harbour at Port-of-Spain, Trinidad, her new home, where there's a warm welcome awaiting her.*

Canadian Ships for the West Indies

Federal Maple and _Federal Palm_, built in Canada and presented to the Federation, have been enthusiastically welcomed in the West Indies; are supplying regular inter-island freight and passenger service and thus filling a long-felt need.

ROBERT F. RENWICK, *Commercial Counsellor, Port-of-Spain.*

ON August 16, 1961, the M.S. *Federal Maple,* the first of two ships given by Canada to The West Indies, was warped into Port-of-Spain's No. 1 dock, to be acclaimed by thousands as an excellent hub for the new West Indies shipping service. On arrival, the vessel, with its saxon-blue hull and white decks, was gaily dressed from stem to stern with a line of flags to mark the long-heralded event. She sailed from the St. Lawrence under the command of Captain Angus H. Murray, a veteran Scottish mariner, who on arrival described her performance as "splendid" and "very smooth". After berthing, Captain Angus played host to a group of Federal Ministers and other important visitors. Uppermost in the minds of the West Indians was the fact that Canada had given them the means of furthering their ambition of closer trade links among the various islands of the Federation and an intermingling of her peoples.

To mark the occasion, His Excellency the Acting Governor General of The West Indies, Mr. John S. Mordecai, who over the years has formed close official and personal connections with Canadians, sent the following message to the Governor General of Canada: *"Federal Maple* has arrived safely at Port-of-Spain. We warmly hail this important event in the long history of Canada-West Indies friendship and co-operation. I send to you and your Government on behalf of th Federal Government and the peopl of The West Indies our warme thanks for this magnificent gi which will serve to strengthen th links between the islands, all o which treasure the association be tween our two countries."

Built in Montreal

The 300-foot ship was christene on May 4 by Mrs. W. Andrew Ros wife of The West Indies' Ministe of Communications and Works when it was launched at th builders' yards. Constructed b Canadian Vickers Limited, Mont real, it was designed by Gilmore German & Milne, naval architects The *Maple* was joined by a siste ship, the M.S. *Federal Palm,* whic was completed and handed over t The West Indies Government b Port Weller Dry Docks Limited Port Weller, Ontario, on August 26 Ownership of the vessels and re sponsibility for the shipping servic is vested in The West Indies Ship ping Corporation, a Crown com pany. Operators and agents ar

Furness, Withy and Company Ltd., Port-of-Spain.

Safety Plus Comfort

The ships combine comparative luxury with safety. They are equipped with the latest aids to navigation, including radar, gyro compass, echo sounder, direction finder, and rudder angle indicator. Two lifeboats are augmented by two landing-type motor-driven small craft for unloading passengers on windswept beaches or for emergencies. The vessels have two complete decks, a clipper bow and a cruiser stern. There are two hatches forward, serviced by derricks; a refrigerated hold midships has two self-contained electrically operated cranes. A colourful and useful feature is permanent plastic awnings over the bridge, boat decks and crane operators' positions.

In the past, deck passage as a means of travel over the Caribbean has been a rugged affair, with passengers more often than not exposed to the vagaries of the weather and expected to provide their own food. The *Federal Maple* ushers in a new era of air-conditioned comfort for the 200 deck passengers whom it can accommodate; the first 60 will be able to use bunks of the pullman type, complete with mattresses. Deck passengers will have open and completely enclosed deck space provided aft and there is the added local luxury of facilities for obtaining hot and cold food and drinks. Cabin class passengers are accommodated in three deluxe two-berth passenger suites immediately below the bridge. The remainder of the 22 cabins are two-berth ones, equipped with hot and cold running water.

Inter-Island Service Begun

The *Federal Maple* and the *Federal Palm* are identical and will be used for inter-island freight and passenger service in The West Indies Federation. Each has three cargo holds, with a capacity of 80,000 cubic feet for general cargo and a further 4,000 cubic feet of refrigerated space. Top speed is 15½ knots but their comfortable cruising speed of 10 to 12 knots is considered ideal for an island-hopping schedule.

The maiden voyage of the *Federal Maple* was made from Trinidad on August 24, calling in at Grenada, St. Vincent, Barbados, St. Lucia, Dominica, Montserrat, Antigua, and St. Kitts, with arrival at Jamaica on September 4. The return voyage was made from Jamaica on September 6 with only one stop at Barbados and arrival in Trinidad on September 11. The three de luxe cabins were booked and most of the space for 200 deck passengers taken up, as well as practically all of the 44 first-class berths. Sample passenger fares are Can.$8.40 deck, $27.00 cabin, and $36.00 de luxe cabin from Trinidad to Barbados.

Origin of the present federal West Indies shipping service dates back to 1955, when the Standing Federation Committee developed an inter-regional shipping service, initially by way of an agreement with the West Indies Navigation Co. and then by chartering two vessels. For a very short period, the Shipping Corporation operated three vessels but since the end of September 1961 have depended upon the *Federal Maple* and *Federal Palm*. This service is all-important to the Federation of the West Indies because it provides the only scheduled general or cargo shipping space to each and all of the islands twice a month, irrespective of inducement.

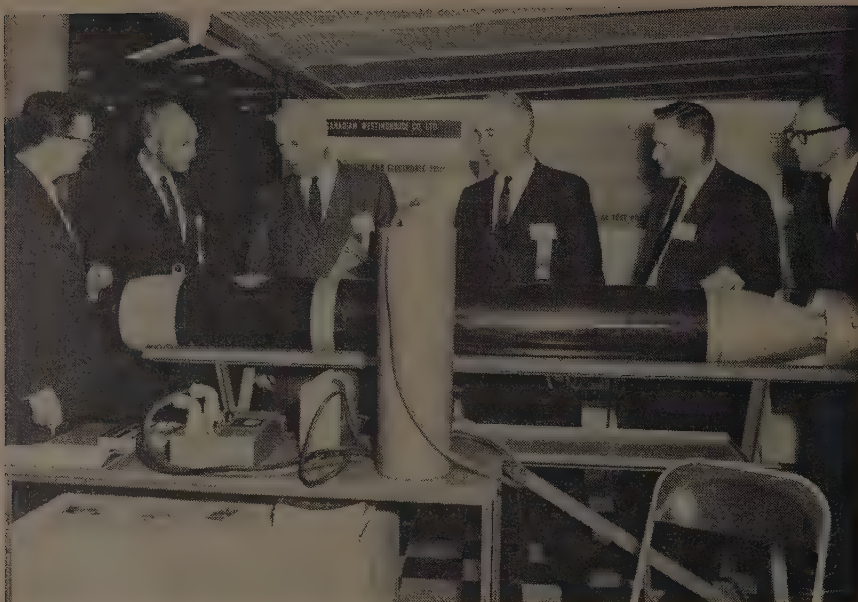
Rates Moderate

Freight rates are subject to change but are generally based on the Intercolonial Freight Rates Tariff for a single charge to any island destination, excluding Jamaica. Under these rates, general cargo can be moved from Port-of-Spain to any of eight island destinations at the same charge of W.I. $18.40 (Can.$11.00) per shipping ton. Cargo for Kingston, Jamaica, is about 35 per cent additional. Shippers' costs are also affected by receiving, storage and delivery charges which vary from port to port, as well as higher charges for refrigerated space (the latter service is a great boon to the islands). Experience to date is that approximately 60 per cent of all freight carried is transhipment cargo. In the future, greater movement of such commodities as cement, bottles, fertilizers, soaps, paint, biscuits, margarine, beer and other West Indian produce is expected to result in the carriage of more domestic products and of less transhipment cargo.

The Commissioner for The West Indies in Canada, Mr. Rex Stollmeyer, stated at the handing over ceremony of the *Federal Palm* that it was a source of pride and joy to all West Indians to have achieved another high point in their history, with Canada's aid. In the same vein, the Hon. Andrew Rose, West Indies Minister of Communications and Works, said at the welcoming ceremonies for *Federal Maple,* "She is a magnificent vessel—first rate in every respect—the very thing we need." It is evident that both vessels have caught the imagination of West Indian Ministers and officials. This pride of ownership has extended through all levels of West Indian society who, in their own words, acclaim them as "We" ships.

Shoe Fair in Mexico

THE 5th National Exposition of the Mexican Shoe Industry will take place from November 18-21 at the Del Prado Hotel, Mexico City. Organizers are the National Shoe Manufacturers Association and the National Shoe Retailers Association of Mexico. All the important footwear manufacturers of Mexico are reportedly exhibiting. For further information, contact the Commercial Counsellor, Canadian Embassy, Melchor Ocampo 463, 7th Floor, Mexico 5, D.F., or the exposition sponsors, Cámara National de la Industria del Calzado, Edificio de las Industrias, Mexico 5, D.F.



G. R. Paterson, Consul General of Canada in Los Angeles (third from left), examines Canadian Westinghouse's MK-43 *torpedo at the ISA show. Sharing his interest are (left to right): the author of this report; J. Dewhurst, of Westinghouse; Dr. R. Tripp, ISA president; a visitor, and P. A. Sprague, ISA president-elect.*

Opportunity Knocks in Los Angeles

Eighteen Canadian firms participated in the display sponsored by the Department of Trade and Commerce at the Instrument Society of America exhibit in Los Angeles a few weeks ago. Result: valuable contacts, immediate sales, promise of greater trade in future.

G. F. OSBALDESTON, *Consul and Trade Commissioner, Los Angeles.*

"THE first step in selling Canadian products is publicity. At the moment, Canadian equipment is unknown and Canadian companies even more so."

"We will be back in the Instrument Society of America show next year with or without the Canadian Government."

"The show has revealed a potential market for us of $100,000 a year. We have already made our first sales."

"The research department has put a request into the purchasing department for one of our units valued at up to $30,000, and I am seeing another division of the company on my way back home and hope that they will purchase a second unit."

These are a few of the comments made by Canadians who participated in the Canadian Government exhibit at the Instrument Society of America Conference and Exhibit held in Los Angeles from September 11-15, 1961. Other Canadian companies which could have exhibited and secured similar results let a real opportunity slip by.

ISA Show Largest

The Instrument Society of America trade show is the largest of its kind directed specifically at the instrument buyer and manufacturer. It covers both the electronic and mechanical field and the society which sponsors it is a highly regarded scientific association.

The decision of the Department of Trade and Commerce to participate in this particular show was made after carefully considering many factors. Last year one of our Trade Commissioners at New York visited the ISA exhibit and reported on its effectiveness as a vehicle for the promotion of Canadian products. A copy of this report was forwarded to Los Angeles. We at Los Angeles then undertook to discuss the show with instrument manufacturers, local representatives of Canadian firms, instrument buyers and the local representative of the Canadian Department of Defence Production. All these conversations convinced us that the ISA show offered an opportunity for selling Canadian goods.

Major Electronics Market

California has the third largest concentration of instrument manufacturers in the United States. The number of their plants increased by 35 per cent between 1954 and 1958. The electronics industry now vies with the aircraft and rocket industry as California's number one source of factory sales and jobs.

The Western area of the United States last year accounted for 24.2 per cent of the nation's $10.2 bil-

lion total for factory sales of electronic equipment. In the past five years, factory sales in the West have climbed 58.6 per cent, up $1,040 million from 1957's $1,775 million; national sales by comparison increased only 41.3 per cent. At present the West accounts for nearly one-fourth of all employment in the U.S. electronics industry—or 215,000 out of a total 875,000. California's three major industrial centres (Los Angeles, San Diego and San Francisco) employ the lion's share—184,300. This, then, is the market that the Canadian Government invited Canadian industry to explore through the medium of the ISA exhibit.

Selling the ISA

Last spring the Department began canvassing potential exhibitors to tell them about the show. This canvass was in addition to the wide publicity given the Department's whole 1961 trade fair program. Oddly enough, the Commodity Officer co-ordinating a show usually finds that he has to go out and "sell" it to Canadian industry.

For the ISA exhibit, the Commodity Officer was "selling" the following package:

- the largest instrument show in North America
- an opportunity to explore one of the largest markets in the world for electronic and mechanical instruments, components and parts
- exposure of Canadian products to 15,000 instrument buyers
- an opportunity to talk to potential agents
- a service in which the Department constructs the stand, sets up the display, looks after all operating details, packs up when it is all over and ships the display back to Canada.

The cost for this package—just $50. One company which bought it made 200 contacts for its products in five days. So did a number of the other exhibitors.

Return on Investment

The firms exhibiting sold tens of thousands of dollars worth of Canadian equipment and were asked to quote on hundreds of thousands of dollars worth more after the Americans visiting the stand found that the Canadian exhibitors were competitive.

Was there reluctance among potential Canadian exhibitors because they did not have agents to do the follow-up? A number of Canadian companies that had never before sold in California have now established representation as a result of the show. One company appointed representatives in Phoenix, Chicago and Cleveland. Another appointed an agent for Los Angeles. Four others are considering requests from U.S. firms that have asked to represent them.

One Canadian company that already had a local representative received one of the fringe benefits that always accompanies such exhibits. Their agent told me that he made a sale valued at over $10,000 that week for the Canadian company simply because he had been "boning up" on the specifications of the Canadian products during the show. When he saw his customer's specifications, he realized the Canadian product fitted the description. He admitted that he might not have been so well informed on the Canadian specifications had it not been for the show.

Canadian Display

Those who have not seen a Canadian Government exhibit at a vertical trade show may be interested to learn what type of display we mount. For this particular show we contracted for an area 94 feet long and 24 feet wide—the largest single exhibit in the show. The stand was built on a tile floor and was topped by a full roof made of translucent plastic. A fascia extended around the full perimeter of the roof, stating clearly that all products on display were designed, developed and manufactured in Canada. This gave unity to the whole exhibit. Each firm had a booth approximately 7 × 8 feet more or less, depending on individual requirements. The Canadian stand was without question one of the most attractive at the show.

In addition to providing opportunities for sales and valuable contacts, these displays gave invaluable publicity to Canadian manufacturers. Before the show began a mailing list of 3,000 names was developed to be used in a direct mail campaign. These names were obtained through the co-operation of local Canadian representatives and the Canadian companies participating; each person on the list received three mailings. The first was a press release announcing our participation and describing the products to be displayed; the second, a personally addressed letter inviting the recipient to visit our stand and enclosing a free admission ticket; the third, a copy of our show brochure which devoted one full page to each company, showing a picture of its product and providing information on its plant and capability. A further 4,000 brochures were distributed at the show. This is prestige advertising carefully directed to individual buyers.

The Canadian Consul General officially visited the Canadian stand and was welcomed by the ISA executive. A member of the executive committee, associated with a major U.S. chemical company, was so impressed with a Canadian product that he returned to the stand later to get additional information to report to his company. The Canadian company subsequently made its first sale to this firm—a major breakthrough for it.

Perhaps the relating of these few occurrences during our exhibit at the ISA show makes clear what many Canadian companies missed when they turned down the opportunity to participate. The Department of Trade and Commerce

might expect to be besieged by Canadian companies wanting to climb aboard the trade fair bandwagon. It is not.

Try a Trade Fair

If your company has not participated in a trade fair, try it. If you are participating in the program, examine each opportunity presented to you with care, and be sure to man your booth properly. Products do not make sales—salesmen do! No one realizes this better than the Department of Trade and Commerce.

The objective of the trade fair program is to provide Canadian businessmen with a vehicle for the promotion of their products. It is intended to help your efforts to enter new markets. Why not make use of the opportunity offered to you and join in the trade fair program. ●

FAIRS AND EXHIBITIONS

Leather at Paris

INTERNATIONAL Leather Week (September 8-13, 1961), organized by the French National Leather Council, is now one of the major international trade fairs held in Paris. Foreign participation has increased steadily; this year there were 610 exhibitors, 228 of whom were foreign—from Argentina, Austria, Belgium, Germany, Britain, Finland, Italy, Morocco, Spain, Sweden, Switzerland and the United States. A large number of British exhibitors attended, including representatives from the British Leather Federation and the British Footwear Manufacturers Association.

Exhibits were divided into 11 groups: raw hides and skins; tanning and skin-dressing; leather and skin products; shoes and slippers; design; fine goods and clothes; supplies and accessories for the shoe industry; gloves; leather garments; tanning extracts; tanning and shoe machines.

Officers of the Canadian Trade Commissioner Service visited the fair to assess opportunities for Canadian suppliers. Exporters who wish further information should contact the Commodities Branch of the Department of Trade and Commerce, Ottawa.

Canadian Woods in Chicago

THE Department of Trade and Commerce will exhibit end-uses of Canadian woods at the National Association of Home Builders show in Chicago, December 3-7. The NAHB show brings together contractors and members of the related trades, associations and professions from all over the United States, and Canadians will take this opportunity to stimulate new trade, improve old contacts, and impress designers, builders, students, and other interested persons with what they can provide.

Visitors to the Canadian exhibit will see a 20 by 20-foot two-storey model house in which the many species of Canadian woods are effectively used as panels, flooring, shingles, or supporting members. They will walk through the house, inspecting Canadian birch, cedar, white pine, white spruce, red pine, Douglas fir, hemlock and maple used to best advantage. Representatives of the Canadian Lumbermen's Association, the B. C. Lumber Manufacturers Association, the Red Cedar Shingle Bureau, and officers of the Department will be on hand to supply technical information. Literature on every type of Canadian wood, lists of U.S. wholesalers who stock our woods, and other promotion literature will be handed out for future reference.

Canada took part in the previous NAHB show last January; approximately 24,000 persons visited the Canadian model home and 15,870 pamphlets were distributed. The Department processed all inquiries and relayed them to 550 Canadian mills and wholesalers for follow-up. This December's model house will be built on much the same lines as the last one; changes in design, however, will include stairs rising straight up from the front of the exhibit to the second floor, and a large pylon rising the full two stories, with "Canada" printed clearly at the top.

Brno Fair, Czechoslovakia

CANADA participated this year for the third successive time in the Brno International Trade Fair, Czechoslovakia (September 10-24). A collective exhibit illustrating Canadian production facilities and resources stressed Canadian aluminum production and fabricated and semifabricated products. New and modern methods of using the metal received special attention. Other machinery and equipment was displayed as well and the Czech Government trading corporations placed orders for some of it at the conclusion of the fair. Technicians, businessmen and the general public all found the Canadian exhibit and products interesting and Canadian trade officials received a good number of trade inquiries.

The Brno Fair, one of the largest annual trade shows in Eastern Europe, increases in scope and importance each year. This year there were 1.3 million visitors.

In addition to Czechs, it draws large numbers of visitors from other countries in Eastern and Western Europe. In recent years heavy engineering products, machine tools and highly technical equipment of various types have predominated. These are shown by all the Eastern European countries, but there are a large number of entries from other parts of the world, both in collective government exhibits and in displays privately arranged by businessmen of many countries keen on making their goods known in Czechoslovakia and Eastern Europe.

Boats in Britain

TWICE as much space as in 1961 has been reserved for Canada's exhibit in the 1962 International Boat Show, Earls Court, London, January 3-13. Our display in 1961, when we entered for the first time, occupied about 1,200 square feet; in 1962 we shall take 2,240 square feet. Twenty-four firms will participate; among the products that they will display are 11 boats (compared with five in 1961), including a 23-foot cruiser, a 22-foot runabout, fiberglass and aluminum boats, and a fiberglass *Snipe* and dinghy. Also on exhibition will be two canoes, mahogany and birch hulls, outboard motors and controls, marine hardware, silencers for outboards, windshields, convertible tops, seat-beds, a sectional marine dock, water skis, oars and paddles, fishing equipment, and lifejackets.

A rope-web roof unifies the whole display and gives a nautical flavour. About 25,000 pamphlets and 500 posters are being prepared for circulation and a large picture of "Miss Supertest", winner of the Harmsworth Trophy, will remind visitors of Canadian pre-eminence in this field.

The Boat Show—featuring pleasure craft of all kinds, related sporting goods and aquatic equipment—receives considerable publicity through its sponsor, the London *Daily Express*. Nearly 325,000 persons from Britain and other countries came to see it last year. Canadian exhibitors wrote a good deal of business and several appointed agents.

Sports Clothes and Equipment, Chicago

THE National Sporting Goods Association (NSGA) show is advertised as "the largest sporting goods show in the world". Last January it drew 13,133 business visitors who viewed 708 exhibits set up in Chicago's Morrison and Palmer House hotels. Buyers came to it from all parts of the United States, Canada and many foreign countries; the public was not admitted.

Canada will have its largest display ever in this show next January 21-25. Thirty-six companies will participate in the government exhibit with an impressive number of Canadian-made products, particularly winter sporting goods. Our exhibit will occupy the Clark Room and an adjoining area in the Morrison Hotel; the Canadian Government Exhibition Commission has designed a unified display with an attractive entrance.

Visitors will see Canadian hockey, baseball, lacrosse and playground equipment; sports clothes, including hockey outfits, hunting and fishing clothing, and footwear; barbells, water skis, knives, toboggans and sleds, ice and roller skates, and snowshoes; hockey games, croquet sets, dart boards, crokinole, and silver trophies.

Participants in the 1961 show succeeded in finding new customers and many are back in the show again after several former appearances. One claims he has trebled his U.S. business in two years through contacts made at the Canadian exhibit.

Addresses of Hanover Fair Agents

THE German Industries Fair held each spring in Hanover (next year from April 29 to May 8), is the country's largest. Essentially a capital goods fair, the machine tool, engineering and chemical sections are extensive although there are groupings for office supplies, porcelain and ceramics, glass, jewellery and silverwear, cutlery and metal goods. It was originally conceived shortly after World War II as a means of promoting German industrial exports but since 1950 it has welcomed foreign exhibitors. Over 4½ million square feet of exhibiting space is available and in 1961 about 5,000 exhibitors took space; one fifth of these were from outside the country. France, the Scandinavian countries, Britain, Switzerland and the United States headed the list.

The fair's address is Deutche Messe und Austellungs A.G., Messegelaende, Hanover. However, it is usually more convenient to contact the Canadian agents of the fair: The Trimont Corporation Ltd., Suite 29, 1390 Sherbrooke Street West, Box 25, Station "H", Montreal, Que., the main representative, or the subagents: Encom Agencies (J. Bezden), Suite 209, 1485 Davie Street, Vancouver, B.C.; Wilson Equipment Supply Co., Box 121, Station "C", Winnipeg, Man.; MacNutt Associate Industries Ltd., Suite 1, 1215 5th Street West, Calgary, Alta.; R. F. Lederer, 98 Glenview Avenue, Toronto, Ont.

Trade Fair Program

A booklet outlining the Department's program of participation in trade fairs abroad in 1962 has just come off the press. It describes each show briefly and sets the deadlines for applications to participate in these government-sponsored exhibits. If you would like a free copy, write the Editorial and Art Services Division, Trade Publicity Branch, Department of Trade and Commerce, Ottawa.

What's current in commodities?

FOREIGN TRADE *has been planning for some months, in co-operation with Commodity Officers and the Trac Commissioners, a schedule of regular reporting on commodity opportunities and developments abroad. W intend to feature in each issue at least one and possibly two commodity fields, beginning with forest produc and engineering services and equipment (see articles below). In succeeding numbers we hope to cover pla products, textiles and consumer goods, metals and minerals, chemicals, appliances and commercial machiner and livestock and dairy products. From time to time we shall also write about special developments in the tran portation field. We hope that this feature will prove useful and that readers will suggest possible topic*

Logs and Lumber

Japan—Construction boom has seen demand for logs and lumber outstrip domestic supply; imports from North America for 1961 expected to be up 300 per cent; brisk market should continue.

N. W. BOYD, *Assistant Commercial Secretary, Tokyo.*

JAPAN is experiencing its third consecutive year of rapid economic growth. According to the Economic Planning Agency's annual economic report for fiscal 1960-61, the gross national product increased 11 per cent and industrial production 23.7 per cent during the 1960 fiscal year (April 1960-March 1961). These boom conditions have resulted in great activity in the building industry. Because of rising costs of domestic construction material, the demand for imported softwood logs and lumber has increased each month since the end of 1960.

Japanese imports of North American logs and lumber in the first seven months of 1961 exceeded twelve months' imports in 1960 by 70 per cent. Imports over the January-July period totalled 397.5 million FBM (Brereton Scale) and year-end imports for 1961 are estimated at 700 million FBM, three times 1960 imports from North America (233.9 million FBM).

Japan is not without forest resources. Indeed, forests cover 60 per cent of the total land area (in Canada, 48 per cent). But because of heavy cuttings, reserves of 2,500 million cubic meters have dwindled to 1,817 million in 1959. Felling in excess of the increment is still taking place, particularly in accessible areas, where it reaches as much as three times the increment.

TABLE I

DEMAND AND SUPPLY OF TIMBER IN 1960

	Demand	Supply Domestic	Supply Imports
		(in B/M'000)	
Sawn lumber	15,933,000	14,338,000	1,595,000
Pulp	3,836,000	3,764,000	72,400
Mining poles	1,022,000	1,022,000	....
Plywood	1,347,000	234,000	1,113,000
Poles	179,000	178,000	400
Piling	200,000	157,000	43,000
Scaffolding	145,000	145,000	....
Fibre-board	74,000	74,000	....
Other	664,000	658,000	6,000
Total:	**23,400,000**	**20,570,000**	**2,829,800**

Table I shows that the demar for timber in Japan last year totalle 23,400 million FBM, an increase o 1,987 million over 1959. On th supply side, domestic timber pro duction of 20,570 million FBM fe short of the demand by 2,830 mi lion, even though 1960 domesti timber production increased b 1,305 million FBM over 1959. Im ports of logs and lumber according went up from 2,147 million FBM i 1959 to 2,755 million in 1960.

Imports Rising

From the table it is apparent th the bulk of timber imports are t meet the demand for sawn lumb and of the Japanese plywood indu try. With 30,000 sawmills in Japa the bulk of imports, both hardwoo and softwood, are in log form.

Table II shows Japanese impor of logs and lumber in 1960—2,75 million FBM valued at Y61,29 million. Lauan logs accounted fo over 70 per cent of total import Much of this was used in the manu facture of plywood, but lauan woo is also employed as sawn timber i construction. The Philippines is th main supplier of lauan wood. Th U.S.S.R. was the main supplier o softwood, followed by the Unite States, New Zealand and Canad Exports to Japan of Canadian log poles and piling and lumber in 196

ached 11.25 million FBM, valued Y374 million.

mports from North America

During the first seven months of 961, Japan imported 397.5 million BM of logs, poles and piling, baby quares, flitch and lumber from orth America; this represented 70 per cent of total 1960 shipents. In July alone, these imports ached 105.6 million FBM, the quivalent of five months' imports 1960. Further estimates suggest ugust-October imports will averge 70 million FBM a month and ovember and December imports ach 50 million FBM. If these estiates are accurate, year-end imorts will exceed 700 million FBM, 00 per cent of the 1960 total. tatistics for seven months, showing eparately imports from Canada, e not yet available, but during the st four months of 1961 Canadian xports of logs, poles and piling and mber to Japan were valued at 1.18 million, 144 per cent of total anadian shipments in 1960. Conequently, it is clear that Canadian mber exporters are also benefiting om the activity of the Japanese uilding industry.

Table III gives details of Janary-July timber imports from orth America and, for comparion, figures for 1960. From this, it evident that Douglas fir, hemlock, d cedar, spruce and mixed logs, nd baby squares all made noticeble gains. Japanese importers egan to purchase North American aby squares last October and busiess has been very active since the eginning of this year because of shortage of domestic logs. Hemck baby squares are used for eams and pillars in the construcon of low-priced apartment houses. apanese buyers have been payg particular attention to British olumbia baby squares and yearnd export figures will show a subantial increase over 1960.

Probably as much as 95 per cent Japanese imports of North merican logs and lumber is handled by the 51 trading companies, members of the Japan Lumber Importers' Association. In 1960 eight of these trading companies imported 80 per cent of the total. A recent move on the part of some of these large importers is the acquisition of logging rights in North America.

TABLE II

JAPANESE IMPORTS OF LOGS AND LUMBER IN 1960

	Quantity	Value (c.i.f.)
Hardwood	(B/M'000)	(Yen'000)
LOGS		
Lauan and apitons	1,973,519	42,307,519
Cottonwood and aspen	6,190	150,292
Lignum vitae	369	108,659
Teak	226	50,769
Red sandalwood	495	50,501
Paulavnia	851	38,671
Ebony	257	32,977
Mahogany	664	18,709
Sawlogs and veneer logs, n.e.s.	70,157	1,954,670
Pulpwood	5,236	51,996
Poles and piling	33	1,410
Railway sleepers	10	851
LUMBER		
Teak	633	167,243
Red sandalwood	408	11,480
Lauan and apitons	66	3,640
Paulavnia	43	2,790
Mahogany	6	1,254
Lumber, n.e.s.	877	143,200
Softwood		
LOGS		
White and yellow cedar	70,265	3,446,265
Abies and picea	213,113	3,407,980
Pine	125,197	2,378,814
Douglas fir	29,257	968,015
Larix	62,637	894,271
Sitka spruce	12,051	471,003
Red cedar	11,100	259,696
Hemlock	1,574	53,060
Sawlogs and veneer logs, n.e.s.	7,276	134,953
Pulpwood	77,716	925,010
Poles and piling	18,972	662,479
Telegraph poles	613	10,496
LUMBER		
Douglas fir	38,220	1,504,806
Sitka spruce	19,843	756,202
Incense cedar	4,510	219,831
Hemlock	2,360	77,729
White and yellow cedar	467	16,086
Abies and picea	14	2,301
Pine	8	113
Lumber, n.e.s.	170	5,221
Total	**2,755,403**	**61,290,962**

TABLE III

JAPANESE IMPORTS OF NORTH AMERICAN LOGS AND LUMBER

	1960	7 Mos. 1961
	(B/M'000)	
Logs		
Douglas fir	27,904	64,703
Red cedar	1,203	19,457
Alaska red cedar	8,310	2,458
Port Orford cedar	56,596	35,599
Yellow cedar	7,236	5,777
Noble fir	13,986	5,082
White fir	1,579	4,166
Spruce	11,986	20,721
Hemlock	1,210	81,079
Cottonwood	5,576	4,919
Western pine and fir	15,193	6,062
Mixed	1,854	21,457
	152,633	271,480
Piling		
Hemlock	....	27
Douglas fir	22,163	17,264
	22,163	17,291
Baby Squares		
Douglas fir	....	678
Red cedar	....	5,410
Port Orford cedar	121	572
Hemlock	1,023	20,355
	1,144	27,015
Squares		
Douglas fir	33,498	31,292
Hemlock	1,198	10,489
Mixed hemlock balsam	....	5,113
	34,696	46,894
Flitch		
Douglas fir	1,875	3,383
Spruce	....	101
Red cedar	....	746
Hemlock	....	1,870
Mixed	....	347
	1,875	6,447
Lumber		
Red cedar	....	149
Yellow cedar	78	533
Spruce	....	100
Alaska spruce	21,339	21,671
Mixed	....	6,067
	21,417	28,420
Total:	**233,928**	**397,547**

Two developments have followed in the wake of the recent buildup of shipments of North American lumber to Japan—rising ocean freight rates and delays in offloading at Japanese ports. In 1960, midyear freight rates on logs were $37.00-$38.00 per 1,000 FBM.

Current quotations are \$51.00-\$52.00.

As expected, the sharply increased volume of imports, combined with a shortage of mooring buoys, unloading facilities, stevedores and timber-yards, has resulted in serious offloading delays, with consequent losses to importers and buyers. As a result, the Japanese importers have petitioned the Government to permit customs clearance through documents only for vessels with part loads and with loads to be discharged at different ports. At the present time, customs clearance through documents is permitted only for full cargoes of duty-free import items offloaded at one port.

Outlook Favourable

In anticipation of liberalization of 90 per cent of imports by October 1962, Japanese investment in plant and equipment has been very high, 21 per cent of the gross national product in 1960 and even greater in 1961. Substantial progress is being made toward the goal of doubling the 1960 gross national product by 1970. As far as the building industry is concerned, the "Income Doubling" plan calls for the construction of five to six m[illegible] lion residential housing units [illegible] 1970. This bodes well for the [illegible] ported lumber market.

Japan imposes no quantita[illegible] import restrictions on imports [illegible] North American logs and lum[illegible] for balance-of-payments purpo[illegible] with the exception of tongue-a[illegible] grooved finished lumber. Altho[illegible] Japan's foreign exchange reser[illegible] have declined slightly in rec[illegible] months (April 1, 1961—\$2,0[illegible] million; July 31, 1961—\$1,8[illegible] million), this does not appear [illegible] pose any immediate threat to lu[illegible] ber imports from Canada. ●

Roadbuilding Machinery, Contracts

Argentina—Accelerated roadbuilding program in next five years will mean machinery purchases worth \$70-90 million. Canadian firms may secure some of this business if they are competitive, particularly in credit terms. They may also compete for road contracts financed by World Bank loans.

C. O. R. ROUSSEAU, *Commercial Secretary, Buenos Aires.*

IN his annual address to Congress last May 1, President Frondizi surveyed the first three years of his mandate, and in a projection for his last three years in office made special mention of the need to improve the transportation and communication facilities in Argentina. He said, "The program for roads and highways will give the country 13,000 kilometers of new paved roads by 1964, transforming the pattern of communications between the various centres of production and their internal markets, integrating the economy of the interior of the country, and releasing it from its centralized dependence on the port of Buenos Aires. Tenders have been called and contracts awarded for roadbuilding projects valued at 15,000 million pesos."

For a country the size of Argentina (1,072,745 square miles) where road and railway transport are vital, the present situation can be best illustrated by citing the fact that 80 per cent of the present road network was built before 1946. The Division of Highways (Vialidad) of the Federal Department of Public Works, in a report on the present situation, shows graphically that in 1943, the advent of Peron's regime, roadbuilding took a tremendous downturn and kept skidding down until it hit its low in 1948. There it remained until 1955, when the revolutionary government took over. For the last five years nothing startling has been done, but the present government is endeavouring to make up for the past 15 years by launching the program now under way.

One of the main problems t[illegible] authorities and the contractors w[illegible] have been awarded large contra[illegible] face is the lack of machinery ava[illegible] able locally to start the crash pr[illegible] gram. The equipment left in t[illegible] country at the beginning of the pr[illegible] gram was old, inadequate and o[illegible] solete; this means that all the m[illegible] chinery needed has to be importe[illegible] This results in a further delay befo[illegible] the program can gather real mome[illegible] tum and also in an extremely hea[illegible] drain on the Argentine foreign e[illegible] change resources. Since the begi[illegible] ning of 1961 the highway autho[illegible] ties (both federal and provincia[illegible] and the contractors have be[illegible] feverishly negotiating with supplie[illegible] of roadmaking and earthmovi[illegible] machinery (such as motor-grade[illegible] scrapers, rollers, stone-crushi[illegible] plants, heavy trucks, etc.) from [illegible] over the world, seeking the quicke[illegible] deliveries possible and the best lon[illegible] term financing. Canadian supplie[illegible] since the beginning have been ve[illegible] much in the picture. The difficulti[illegible] seem to lie in the rather extend[illegible] terms asked by the Argentine buye[illegible] who, because of the high rates [illegible] interest locally, are trying to fi[illegible] finance in the supplying countrie[illegible]

So far most of the road machinery and equipment they want is new and is being purchased through the local agents of suppliers from all over the world. Although Argentine law provides for the import of used machinery when it is in perfect condition, is the latest model or similar in performance to the latest model, and is imported direct by the end-user, it has not been our experience that local contractors have imported secondhand machinery. The reason given for their reluctance to do so is that the equipment will be used at such a strenuous pace that they fear used machinery will not stand up satisfactorily. For used machinery, extended term financing is also difficult to secure.

External Financing

The Department of Public Works calculates that the machinery requirements for the next five years will amount to between $70 and $90 million. To assist the program, the World Bank has provided Argentina with a $48.5 million loan. It is expected that $15 million of this will be used to buy equipment and the remaining $33.5 million for construction; the Argentine Government will supply local currency requirements. The total cost of the works for which this credit is granted is estimated at $80 million. It is stipulated in the agreement that purchases must be effected in countries that are members of the World Bank. Negotiations between the World Bank and the Argentine authorities are continuing, in the hope of raising the total credits to $130 million. In addition to the financial help so far received from the World Bank, the United States through the Export-Import Bank has also granted a loan of $40 million. Of this, $16 million has been earmarked for immediate purchases of machinery and the information we have is that it has already been spent. The highway authorities also announced in March that the loans received from the Eximbank and the Development Loan Fund to that date totalled $80 million. While these U.S. loans are of great interest to the program, they are less important to Canada because Canadians are not entitled to tender for contracts under these loans, which are restricted to U.S. suppliers.

Domestic Financing

Many contracts so far awarded are being financed internally and a law has been passed earmarking for the road program a percentage of the tax levied on the gasoline and gas oil consumed. When the first highway law was promulgated in 1933, it provided for a fixed levy of five centavos per litre, which was subsequently raised to eight centavos. Decree/law 505/58 promulgated in January 1958 provided a change in the system whereby a tax amounting to 50 per cent is levied on sales of gasoline and gas oil. This tax is shared by the federal Department of Highways and its provincial counterparts—35 per cent to the federal department and 15 per cent to provincial departments. This 15 per cent to the provinces is used strictly for provincial roads. They receive a further 35 per cent of the federal revenue for work done on roads linking the provincial system to the federal network. The federal department therefore only retains for its own work on the federal road system 65 per cent of the original 35 per cent levied. The Banco de la Nacion is the federal agency handling the account for the federal Department of Highways and the revenues are distributed monthly to the various provinces. Each province receives a proportionate share, based on the sales of gasoline and gas oil within its borders.

Although the provinces are free to purchase their equipment wherever they wish, it is sometimes difficult for them to obtain long-term credit abroad, since they are not always able to secure a federal bank guarantee for dollar payments. To co-ordinate the federal and provincial road programs, a council made up of the chairman of the federal Highways Authority and the various provincial chairmen has been appointed. This council not only helps to co-ordinate the actual working of the programs, but also acts as a controlling factor in the large foreign indebtedness contracted by the provincial entities in their purchases abroad.

Opportunities Promising

The opportunities in Argentina for the sale of new roadmaking machinery from Canada are very promising at the present time. The competition, however, is extremely keen and therefore our prices, deliveries, and especially the credit terms offered have to be in line with those offered by United States, European and Japanese suppliers. The Embassy is trying to keep abreast of the situation and is sending all information available to Ottawa, but it is our belief that only those companies that have active agents can be kept informed in time to take the necessary action to meet the limited deadlines.

Besides the supply of machinery, there are also a number of large road contracts financed under the World Bank loan and for which foreign contractors are eligible to quote. Before doing so, however, foreign firms must prove that they are legally empowered to contract in this country; this means they must be inscribed in the Public Register of Commerce. Then they make application for their names to be inscribed in the Register of Public Works Contractors in the Department of Public Works; otherwise they must quote through a local firm already registered. When registering, foreign firms must furnish full information on their past experience in similar works and their financial situation. They must also prove that there is at least one qualified Argentine technician in the organization that will undertake the contract. Interested Canadian contractors can get further information from the Engineering and Equipment Division of the Commodities Branch, Department of Trade and Commerce, Ottawa, or from the Canadian Embassy in Buenos Aires. ●

Consulting Engineering Services

Chile—Canadian experience in mineral, forest and hydro development should prove valuable to Chile, just in the early stages of resources development. Here are some suggestions on marketing our engineering services there.

J. M. KNOWLES, *Assistant Commercial Secretary, Santiago.*

THE successful marketing of consulting engineering services in Chile, as elsewhere, is based largely on two things: professional reputation and personal contact. The ethics of the consulting engineering profession as practised in Canada normally prevent the engineer from taking what would be considered too aggressive an approach to the sale of his services. Engineers from many other countries are usually not so reluctant, however, and often regard their services as wares that must be sold to a potential client in the same way as any other merchandise.

Selling a Service

Aside from financing, the major problem that has to be overcome at the local level is the sheer ignorance of what Canada has to offer in the way of specialized services of this kind. One way of helping to overcome this lack of knowledge would be for Canadian consulting firms to adopt a more aggressive approach in the brochures and bulletins they use to promote their sales.

They would also be wise to have their literature translated into and printed in Spanish for use in Chile and other Spanish-speaking countries. If a firm has already done work in Latin America, this should be highlighted in this type of literature.

Chile is well advanced industrially and technologically compared with many of its neighbours and has a small but fully qualified engineering fraternity capable of handling the operational phase of industry. However, they do not have extensive specialized knowledge to implement new projects and it is in this field that Canadian consulting firms should find opportunities.

Chile is in the early-to-intermediate stages of a period of resources development such as Canada passed through 25 or 30 years ago. In view of the remarkable parallels between the Canadian and Chilean patterns of resources —notably mineral, forest and hydro—recent Canadian experience is particularly pertinent to Chilean problems.

Entering the Field

The Santiago office of the Canadian Trade Commissioner Service has evolved what is essentially a simple procedure for introducing Canadian consulting firms to this country. One of our officers is in close and constant touch with, among others, the Corporacion de Fomento de la Produccion (CORFO), the Chilean Government Development Corporation, the Empresa Nacional de Electricidad (ENDESA), the Government Power Corporation, and the Sociedad de Fomento Fabril, which is roughly the Chilean equivalent of the Canadian Manufacturers' Association.

Canadian consulting firms are urged to send as complete information as possible on the nature and scope of their activities to the office of the Commercial Secretary, Canadian Embassy, Casilla 771, Santiago, Chile. If possible, at least six brochures should be included. The brochures will be placed with the most important interested o ganizations in Chile and accom panied by a suitable covering lett in Spanish embodying the add tional information available. Th initial contact will be followed from time to time by personal vis aimed at eliciting as much advan information as possible on pote tial engineering assignments. may be expected that enginee will be asked occasionally to vi the territory to meet the more in portant people who may be inte ested in their services. It is a wi firm that deliberately budgets for certain amount of foreign trav even when there is no immedia prospect of a sale. There is al much to be said for schedulin periodic visits to Chile, as to oth areas, to get the feel of the cou try and to develop personal contac as part of a deliberate long-rang policy.

Joint Ventures

The best approach is to develo a contact with a Chilean enginee ing firm with closely allied interest to the point of a correspondenc or even a partnership arrangemen The Chilean group would the have at its disposal highly specia ized Canadian consulting servic as more or less an extension of it own. This would allow the loca company to seek out and take o assignments that it would otherwis be obliged to refuse, and could b advantageous to the Canadian firm not only from the fees to be earne but as a listening-post inside th country. The national flavou achieved by this approach is als a great advantage.

Visit New York

Either as an alternative or as valuable supplement to persona visits to Chile, visits can be mad to a number of important Chilea Government agencies, CORFO an ENDESA among them, that main tain offices in New York. This i particularly advantageous to East ern Canadian firms, which fre quently have senior men in o

ssing through New York from me to time on business or on liday. It is useful if Canadian gineers take advantage of an casional visit to that city to drop i and get acquainted with the hilean officials there. Most of the portant office-holders of these rporations in Santiago have been signed to the New York office at e time or another, and personal iendships cultivated at that end n be a sound investment for the ture. The names and functions of e more important officials currntly on duty there, all of whom e at 80 Pine Street, New York 5, ew York, are as follows:

sé Zabala de la Fuente, Manager
orporacion de Fomento de la Producon (CORFO)

lgard Schlesinger, Manager,
Inpresa Nacional de Electricidad
NDESA)

luardo Simian, Manager,
Inpresa Nacional de Petroleo (ENAP)
o Corporacion de Fomento de la Proccion

There is relatively little scope at e present time for the sale of gineering services in the hydroectric power field, as ENDESA tends to do most of its own engineering. Special problems do, however, arise from time to time and require the services of a specialist.

Contact CORFO

Speaking broadly, the most promising contacts to be developed are with CORFO; most new enterprise in Chile will seek at one time or another financial assistance from the Government Development Corporation. CORFO is responsible for the planning and execution of Chile's ten-year, $10 billion development program (see *Foreign Trade,* March 11, 1961), and the CORFO guarantee of a project is an assurance that it is economically sound and creditworthy. Accordingly, it is a good plan to keep in close and constant touch with developments in Chile, even in the private sector, through this government agency. The Foreign Investment Committee of CORFO passes on all new investment in Chile and the corporation's officers are fully conversant with the industrial development of the country. It is, of course, supremely important for a consulting firm to learn of potential new business at the earliest possible stage—this means even before the feasibility study is carried out.

How to Offer Credit

One of the keys to selling engineering services is financing. Many foreign firms and consortia offer consulting services "free" as part of a package deal on equipment in a turnkey-type proposal. As in other countries, it is difficult for the Government Development Corporation to obtain funds for feasibility studies. Although CORFO executives naturally realize that knowledge has to be paid for, it is difficult to convince the ordinary taxpayer that he has had his money's worth unless his purchase is something that he can see and touch. Although the ideal solution from CORFO's point of view would be grants for the purpose, the Corporation is also interested in the possibility of obtaining engineering services on credit. Canadian services can be made available in this way under the terms of the Export Credits Insurance Act. Further details are available from the Export Credits Insurance Corporation, P.O. Box 655, Ottawa. ●

COMMODITY NOTES

utomobiles

TALY—A total of 645,000 motor vehicles were proiced in Italy in 1960, an increase of 29 per cent ver 1959. Domestic sales reached a record 428,000 its, a 50 per cent increase over the previous year. xports fell slightly—from 225,270 units in 1959 to 00,820 in 1960.

The large increase in the domestic demand, and e fact that this demand is slowly turning towards gher powered cars, shows the improving standard of ving in this country. It is estimated that there are million motor vehicles in Italy—Rome.

ellulose, Shingles

ENMARK—Forest owners in Denmark have found difficult in recent years to sell their fuelwood because the introduction of other heating methods. They intend, therefore, to open a cellulose factory at Assens (Funen) to make wrapping and corrugated paper, and in the future, newsprint. The factory will cost between 13 and 15 million D.Kr. and will start operating in the autumn of 1962. A London firm will supply the machinery.

A shingles factory to be erected at Glumsø in South Zealand by a subsidiary of the Danish Shingles Company will provide another use for the available timber; this factory is expected to be ready by July 1962—Copenhagen.

Chemicals

AUSTRALIA—Imperial Chemical Industries of Australia and New Zealand Ltd. has announced plans for building a £6 million ammonia and methanol plant

at Botany, New South Wales. The plant, which will be operating in 1963, will have a rated annual capacity of 63,000 tons of end products. By building at this site, I.C.I.A.N.Z. will have invested more than £22 million in this area and when completed the plant will be the most heavily capitalized and developed chemical complex in Australia under single control—Melbourne.

Metal Containers

TRINIDAD—The Metal Box Co. of Trinidad Ltd., a United Kingdom subsidiary, has been declared a pioneer industry for the manufacture of all types of containers made primarily from tinplate. The factory, now being constructed on the outskirts of Port-of-Spain, is scheduled for production by April 1962 and represents an investment of U.S.$2.4 million. The new factory will make tin cans for packing all sorts of foodstuffs (including citrus products) paints and lubricants—Port-of-Spain.

Metal Jar and Bottle Closures

TRINIDAD—Manufacture of metal jar and bottle closures has been approved for Pioneer Industry status by the Government of Trinidad and Tobago. Sprostons Limited, one of the Aluminum Company of Canada's companies, has applied for pioneer status for the manufacture of bottle closures. Substantial quantities are needed in the area for alcoholic beverages (rum and beer), and by the budding pharmaceutical industry—Port-of-Spain.

Metal Plates and Fittings

TRINIDAD—A new company, Pipelines Limited, with a registered capital of W.I.$1.0 million, was recently formed to make metal plates and fittings of every description, including spiral welding metal pipes of all kinds—Port-of-Spain.

Oil

TRINIDAD—A world record for oil wells drilled from a single offshore platform has been achieved in Trinidad. Texaco Trinidad Inc. drillers set the new mark when they completed 36 angled wells from their offshore rig near Brighton in southern Trinidad. About 170,000 feet (32 miles) were bored from this one platform. Oil is piped to Texaco's Pointe-a-Pierre refinery, the second largest in the Commonwealth—Port-of-Spain.

Pharmaceuticals

TAIWAN—A well-known American pharmaceutical company has announced plans to construct a factory in Taiwan. The plant is expected to be in operation by May 1962 and will employ about 70 Chinese tec nicians and production personnel. Full use will made of local raw materials and supplies to produ finished antibiotics, steroids, pharmaceutical specialti and veterinary and animal health products—Manila.

Steel

PHILIPPINES—Government participation in a pr posed integrated steel plant to be erected by the S Ines Mining Corporation in Laguna Province, ne Manila, has been approved in principle. It is report that the plant will produce 130,000 tons a year steel billets and pig iron, which will replace the scr now being used by several of the country's steel mil

The various government financing corporations ha approved the plan in principle and the Philippi National Bank and the Development Bank of t Philippines have guaranteed the machinery to be pu chased from Germany on first payment. Krupp Ente prises will supervise the construction and operation the mill and will furnish $28 million worth of machi ery. The Central Bank will make dollar allocations f amortization payments as they fall due—Manila.

SOUTH AFRICA—An Epping, Cape, steelwor recently secured contracts in Britain and Commo wealth countries against worldwide competition. Th firm, which had previously exported to Australia an Cyprus, attributes its success to the competitive pric of South African steel and the co-operation of S.A Iron and Steel Industrial Corp. Ltd. (ISCOR) making prompt delivery—Cape Town.

Synthetic Detergents

TRINIDAD—The Government of Trinidad ar Tobago has declared the manufacture of synthet detergents, not containing soap, a pioneer industry, ar eligible for incentives. West Indian Oil Industries Lt (a Lever Bros. plant) will establish a factory manufacture non-soapy detergents to be marketed Trinidad and the area from July 1962. Initial produ tion is set at 500 tons of powdered synthetic detergen and approximately 700 tons of liquid synthetic dete gents a year—Port-of-Spain.

Tile

CEYLON—The Ministry of Industries will constru five tile factories with an estimated annual productic of nine million tiles. These factories will be admini tered by the National Small Industries Institute. Ceylo imports annually about 30 million tiles costing approx mately Rs.9 million in foreign exchange. The Govern ment's first tile factory in the Gal Oya Valley turn out three million tiles a year, which are used main by the Gal Oya Board—Colombo.

Try a Manufacturers' Agent

If you want to sell in Pennsylvania, Delaware, Maryland, Virginia and West Virginia, a professional manufacturers' agent is probably the answer.

W. J. MILLYARD, Consul and Trade Commissioner, Philadelphia.

OW does a new trade office get anadian merchandise moving into s territory? That's the problem that ced the officers posted to Philalphia when the Trade Commisoner Service opened an office there st June, with the express purpose expanding Canadian exports to e states of Pennsylvania, Delaare, Maryland, Virginia and West irginia. These five states cover a rge land area rich in natural resurces and containing some of the ost densely populated and heavily dustrialized sections of the United ates. The market for both industal materials and consumer goods almost every variety is enormous.

Almost from the outset, it was parent to us that the most effecte, and often the only, way to rket Canadian products successly was through reputable manucturers' agents residing in the rritory.

Accordingly, we mailed a questionnaire to 932 selected manufacturers' representatives in the five states, with the request that those interested in Canadian products complete it and return it to the Consulate. The questionnaire was basic and brief: in addition to its name and address, the firm was asked to list its present representations, number of salesmen and states covered, number of years in business, and Canadian lines that it would be interested in handling.

Excellent Response

The response in the first three weeks exceeded our most hopeful expectations. A total of 322 manufacturers' agents from all sections of the five states sent in replies. Some of them had been in business for over half a century, and had an impressive array of representations and a large force of salesmen. At the other end of the scale was the lone agent operating from his home, established only two or three years, and trying to build up a composite line of products complementary to the ones he already was promoting. Some agents had a sales territory covering several states, others confined themselves to one or two. The result of the exercise, however, was to furnish the Philadelphia office with the material for a directory of manufacturers' agents covering an immense range and often considerable depth.

An analysis of the returns showed that the agents' interests seemed to encompass the whole gamut of industrial activity in both light and heavy industry. The following sample list of Canadian products and the number of manufacturers' agents who would like to handle them makes fascinating reading.

Canadian Product	Number of Manufacturers' Agents Interested
Boilers and equipment for them	7
Bolts and nuts	6
Building materials	17
Castings and forgings	12
Chemicals	10
Chemical plant equipment	3
Clothing	3
Containers	2
Church supplies	2
Control equipment	28
Crushing and pulverizing supplies	5
Drugs, sundries	5
Electrical contractors' equipment	4
Electric industrial equipment	34
Electric utilities equipment	4
Electric wiring equipment	6
Electronic equipment and supplies	32
Fasteners, screw	4
Fasteners, other	10
Food products	3
Furnaces, industrial	6
Garage equipment and supplies	2
Garden equipment and supplies	5
Gifts, wrappings, cards	7
Hardware, housewares	35

Hi-fi products	8
Hotel equipment and supplies	4
Household utensils	13
Hydraulic machinery, parts	12
Industrial equipment and supplies	67
Instruments, testing, gauging	30
Jewellery and jewellers' supplies	3
Leather and leather goods	2
Lighting fixtures	19
Lubricating devices	2
Machine shop supplies	3
Machine tool parts	16
Machinery, other	21
Marine equipment and supplies	4
Materials handling equipment	8
Metal specialties	6
Mining equipment and supplies	9
Motors, electric	2
Novelties	5
Office equipment machinery and supplies	3
Painters' equipment and supplies	9
Paper and products; packaging	4
Pipe (tubing)	9
Plastic materials and supplies	3
Plumbing equipment and supplies	10
Power transmission devices	10
Printing equipment and supplies	2
Pumps of all kinds	34
Raw materials for compounding	9
Rubber and rubber products	5
Screw machine products	9
Service-station equipment and supplies	13
Sporting goods	7
Steam specialties	8
Steel and steel products	4
Supermarket equipment	3
Tools	28
Toys	2
Valves	31
Welding equipment and supplies	5

A further study of the returns leads to the conclusion that for some products Canadian exporters would be best served by appointing a single agency covering all five states. In other instances, be results would probably be obtai by appointing several agents, e of whom would concentrate or single state or part of a state, in the case of Pennsylvania. making suitable representation rangements, much depends on nature of the product, type of tra and degree of technical knowle and service required.

Contact the Trade Commissio

Canadian firms which are ir position to export any of the pr ucts listed above should write to Canadian Consul and Trade Co missioner, No. 3 Penn Cen Plaza, Philadelphia 2, Pa. He w be glad to put them in touch w potential representatives and to su ply any additional informati which they may need on ways a means of selling in the central p of the eastern United States.

TRANSPORTATION NOTES

Australia

COAL-LOADING FACILITIES—Coal-loading facilities will be built at a cost of A£2.5 million at the new inner harbour at Port Kembla, about 60 miles south of Sydney. They will be used for coal exports to Japan in particular, and will include a 700-foot wharf on the eastern side of the inner harbour adjacent to the entrance. The harbour will be dredged to a depth of 38 feet and vessels carrying 35,000 tons of coal and more will be able to use the berth. The Public Works Department will build the wharf and tenders will be called for the coal-handling plant—Sydney.

VOYAGES IN OFF SEASON—Ships of the Australian National Line have completed 13 overseas voyages since 1959. A further four vessels are at present at sea and two overseas charters are pending. Of these trips, seven were to Japan, four to New Zealand, one to the United States, three to New Caledonia, and one each to Calcutta and Manila. Use Australian National Line ships on overseas chart (mostly for bulk cargoes) has avoided the cos laying-up of vessels in the off season. Although so of the rates for the trips were not as high as t Government would have wished, none has been r at a loss—Sydney.

Brazil

PORT EXPANSION—The Brazilian Government w spend approximately Cr.$3 billion over the next fi years on improvements to the Port of Rio de Janei It plans to increase warehouse space to 100,000 squa metres, to expand coal and mineral ore dumps, enabli them to handle several million tons a year, and construct wheat silos with a capacity of 10,000 to and equipped with automatic feeders—Rio de Janei

Canada

RATES INCREASED—Steamship lines operating regularly scheduled cargo liner services from Canadian Lakes, St. Lawrence and Atlantic ports to the Caribbean area have announced an increase in ocean freight rates to certain ports in the West Indies.

Rates to Jamaica are increased 5 per cent, effective September 11, 1961. Rates to Trinidad, British Guiana and Barbados are increased by 5 per cent up to a maximum of $1.00 a ton, weight or measure, as freighted, with vessels sailing on or after September 14, 1961. Receiving, storage, delivery charges and/or landing charges will be increased 3 per cent.

The freight tariff covering movement of cargo from Eastern Canadian ports to Hamilton, Bermuda, is currently under review. New rates will be quoted in Canadian currency and will be effective on and after October 18, 1961—Ottawa.

Ceylon

HARBOUR DEVELOPMENT—The Dutch firm of engineering consultants, Nedeco, which carried out investigations for improvements to Ceylon's harbours, has been paid Rs.290,000. The firm was engaged by the Ceylon Government to report on the condition of the harbours prior to Ceylon's obtaining a World Bank loan to develop them—Colombo.

South America

NEW SHIPPING SERVICE FROM CANADA INVESTIGATED—The Amerind Shipping Corporation has scheduled a number of voyages for the purpose of surveying cargo possibilities between Eastern Canadian ports and the east coast of South America. The first experimental voyage was made in October by the Uruguayan flag vessel, the M. V. *Nortemar,* loading at Hamilton, Montreal and Quebec for Montevideo, Uruguay, and Buenos Aires, Argentina.

The development of a regular service will depend upon the results of the experimental voyages. Interested shippers may obtain information on subsequent sailings from the Canadian agents, Watts Watts Shipping Agency Limited, Montreal.

Uruguay

MONTEVIDEO PORT—A total of 1,999 ocean-going vessels with an aggregate 9,369,184 net register tons, called at the Port of Montevideo during 1960. This is an increase of 88 ships and 897,285 net register tons over the previous year. The highest percentage of these were British ships, numbering 280, followed by Argentina with 197, the Netherlands and the United States each with 175, West Germany 143, France 128, Italy 119.

Dredging in the access channel and harbour continues but there is an enormous backlog in dredging operations which, with adverse winds and low water level, seriously affects deep-draft shipping using this port—Montevideo.

Trade Commissioners on Tour

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Damascus, Syria, from November 12-18, and Jeddah, Saudi Arabia, and Aden from December 8-16.

G. E. BLACKSTOCK, Consul and Assistant Trade Commissioner in New Orleans, will visit the following cities in Florida from November 8-22: Jacksonville, Orlando, Fort Lauderdale, Port Everglades, Miami, Coral Gables, Tampa, St. Petersburg, and Clearwater.

D. I. CAMPBELL, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracaibo from November 13-16.

B. HORTH, Assistant Commercial Secretary in New Delhi, India, will visit Kanpur and Lucknow, State of Uttar Pradesh, during November.

B. A. MACDONALD, Commercial Counsellor in Athens, Greece, will visit Cyprus, and Adana and Konya in southern Turkey, between November 15 and December 15.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from November 20-24.

G. A. NEWMAN, Commercial Counsellor in New Delhi, India, will visit Cochin and Trivandrum, State of Kerala, during December.

R. F. RENWICK, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Grenada, St. Vincent, St. Lucia, Dominica, Montserrat and Antigua from November 16-24.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Bridgetown, Barbados, from November 27-December 1.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit El Salvador from November 29-December 2.

W. R. VAN, Trade Commissioner in Liverpool, England, will visit Manchester from November 22-25.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Blackstock at New Orleans, Mr. Campbell at Caracas, Mr. Horth and Mr. Newman at New Delhi, Mr. McLane at Glasgow, Mr. Macdonald at Athens, Mr. Renwick and Mr. Richardson at Port-of-Spain, Mr. Taylor at Guatemala City, and Mr. Van at Liverpool.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .970874.

Foreign Exchange Rates

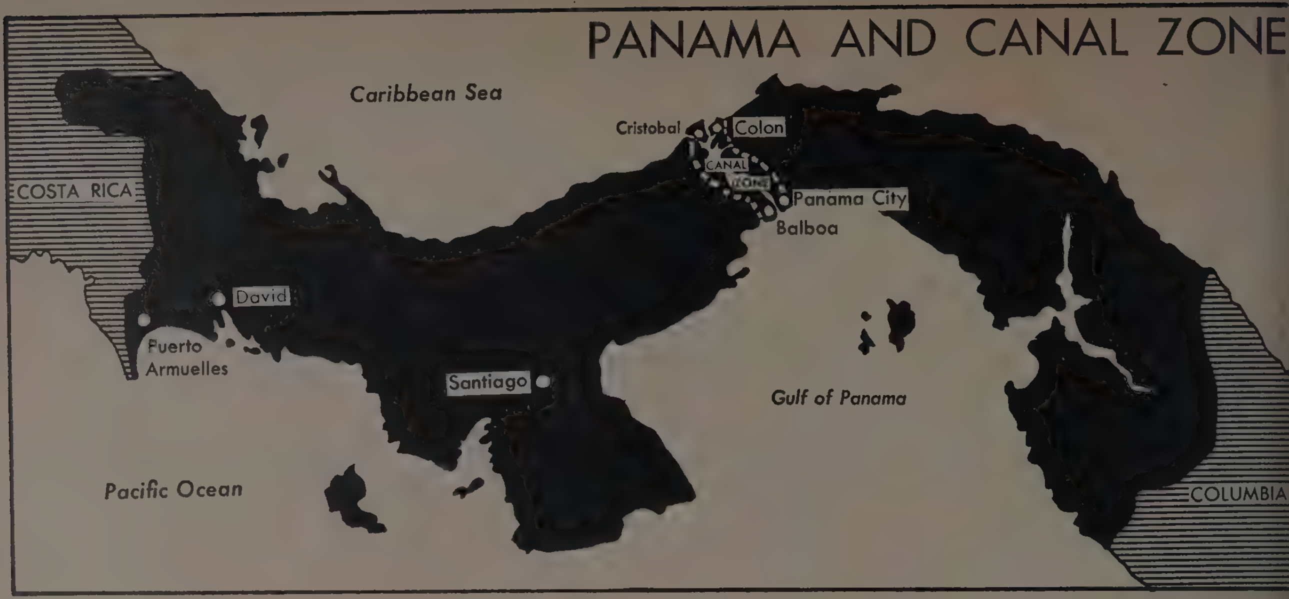
Country	Unit	Type of Exchange	Can. dollar equivalent October 23	Units per Canadian dollar	Notes (See below
Argentina	Peso		.01244	80.38	
Austria	Schilling		.03992	25.05	
Australia	Pound		2.3210	.4308	
Bahamas	Pound		2.9012	.3447	
Belgium and Luxembourg	Franc		.02069	48.33	
Bermuda	Pound		2.9012	.3447	
Bolivia	Boliviano	Free	.00008783	11,385.63	
British Guiana	Dollar		.6044	1.65	
British Honduras	Dollar		.7253	1.38	
Brazil	Cruzeiro	Free	.003239	308.74	
		Special Category	†	†	
Burma	Kyat		.2163	4.62	
Ceylon	Rupee		.2176	4.59	
Chile	Escudo		.9791	1.02135	
Colombia	Peso	Certificate	.1537	6.51	
Congo, Republic of	Franc		.02069	48.33	
Costa Rica	Colon		.1555	6.43	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1430	6.99	
Denmark	Krone		.1496	6.68	
Dominican Republic	Peso		1.03000	.970874	
Ecuador	Sucre	Official	.05722	17.48	
		Free	.04996	20.02	
El Salvador	Colon		.4120	2.43	
Fiji	Pound		2.6137	.3826	
Finland	Markka		.003219	310.65	
France, Monaco, etc.	New Franc		.2095	4.77	(
Franco-African Republics, etc.	Franc		.004190	238.66	(
French Pacific	Franc		.01152	86.80	(
Germany	D Mark		.2574	3.88	
Ghana	Pound		2.9012	.3447	
Greece	Drachma		.03433	29.13	
Guatemala	Quetzal		1.03000	.970874	
Haiti	Gourde		.2060	4.85	
Honduras	Lempira		.5150	1.94	
Hong Kong	Dollar	Free*	.1802	5.55	*Oct.
		Official	.1813	5.51	
Iceland	Krona	Official	.02395	41.75	(4
India	Rupee		.2176	4.59	
Indonesia	Rupiah	Official	.02289	43.69	(4
Iran	Rial		.01360	73.54	
Iraq	Dinar		2.8840	.3467	
Ireland	Pound		2.9012	.3447	
Israel	Pound		.5722	1.75	
Italy	Lira		.001659	602.77	
Japan	Yen		.002861	349.53	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent October 23	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3236	3.09	
Mexico	Peso		.08240	12.13	
Morocco	Dirham		.2060	4.85	
Netherlands	Florin		.2854	3.50	
Netherlands Antilles	Florin		.5462	1.83	
New Zealand	Pound		2.9012	.3447	
Nicaragua	Cordoba	Effective buying	.1560	6.41	
		Official selling	.1462	6.84	
Nigeria	Pound		2.9012	.3447	
Norway	Krone		.1448	6.91	
Pakistan	Rupee		.2176	4.59	
Panama	Balboa		1.03000	.970874	
Paraguay	Guarani	Official	.008142	122.82	
Peru	Sol		.03840	26.04	
Philippines	Peso	Free	.3433	2.91	
		Official	.5150	1.94	
Portugal & Colonies	Escudo		.03595	27.82	(5)
Republic of South Africa	Rand		1.4506	.6894	
Singapore and Malaya	Straits Dollar		.3385	2.95	
Spain and Dependencies	Peseta		.01717	58.25	
Sweden	Krona		.1994	5.01	
Switzerland	Franc		.2385	4.19	
Syria	Pound	Free	.2882	3.47	
Thailand	Baht	Free	.04872	20.52	(4)
Tunisia	Dinar		2.4926	.4012	
Turkey	Lira		.1144	8.74	(4)
United Arab Republic	Pound	Official	2.9577	.3381	
United Kingdom	Pound		2.9012	.3447	
United States	Dollar		1.03000	.970874	
Uruguay	Peso	Free	.09394	10.64	
Venezuela	Bolivar	Official	.3077	3.25	
		Free	.2242	4.46	
West Indies Fed.	Dollar		.6044	1.65	(6)
	Pound		2.9012	.3447	(7)
Yugoslavia	Dinar	Official	.001373	728.33	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.



Markets in Brief PANAMA AND CANAL ZONE

Area: 28,753 square miles, plus 553 square miles in the Canal Zone.

Population: one million.

Climate: tropical, with heavy rainfall.

Language: Spanish, but English is in common use.

Currency: balboa; at par with U.S. dollar.

Weights and measures: metric system, although U.S. standards are widely used.

Capital: Panama City.

Chief ports: Colon, 48 miles from Panama City and situated on the Atlantic end of the Canal, is the main port. Balboa and Puerto Armuelles are the principal Pacific ports.

Marketing centres: Panama City (population) 221,900; Colon 58,000; David 19,000; Santiago 13,028.

Economy: agriculture and fisheries, supplemented by the tourist trade and revenue from the Canal Zone, form the basis of the economy; exploration for petroleum is under way.

Total Panamanian imports: 1959—U.S.$98.2 million.

Chief imports: (U.S.$ million) 1959—manufactured products 24.3, machinery and transportation equipment 20.8, groceries 12.9, chemical products 10.8, fuel and oils 10.3.

Chief suppliers: (U.S.$ million) 1959—United States 51.0, Britain 3.9, Japan 2.7, Belgium 2.0, Netherlands 1.7, Canada 1.6, Argentina 1.0.

Value of imports from Canada: 1961 (5 months)—Can. $1,573,977; 1960—Can.$3,702,779.

Chief imports from Canada: (Can.$) 1960—flour of wheat 560,429, antibiotics 518,489, medicinal preparations 337,823, newsprint paper 298,382, insulated copper wire 159,189.

Total Panamanian exports: 1959—U.S.$22.3 million.

Chief exports: (U.S.$ million) 1959—bananas 13.0, shrimp 5.0, coffee 1.1, cacao 1.1.

Chief markets: 1959—United States, West Germany, Britai Belgium, Canada.

Value of Canadian purchases: 1961 (5 months)—Ca $2,027,470; 1960—Can.$6,066,126.

Chief Canadian purchases: (Can.$) 1960—bananas 5,873,00 manila fibre 65,820, drugs and chemicals 48,619, gree coffee 47,817.

Dollar exchange: no restrictions.

Prices: quote in U.S. dollars, preferably c.i.f. Panamanian po

Samples: samples of no commercial value and weighing n more than 18 ounces can enter free of duty. Valuab samples to be re-exported are admitted if a bond is place with customs authorities.

Trade agreements: Canada and Panama accord each oth most-favoured-nation treatment.

Import controls, documentation, customs tariffs, marking an labelling: consult the International Trade Relations Branc Department of Trade and Commerce, Ottawa.

Canadian banks: none.

Correspondence: airmail essential; letters 10 cents per ha ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala, C.A.

NOTE: The reader should note that in the sections on Cana dian exports and imports, Canadian figures are used, otherwi the statistics of the country. This explains certain discrepancie

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A Look at Latin America II (pages 2-34)

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COMING——HOW "OPERATION EXPORT" HELPED BUSINESS, DECEMBER 2 ISSUE

99772-6—1

A smartly mounted gaucho in Argentina reins up for an appreciative look at a Canadian-made tractor in action.

Canada's Trade with Latin Americ

Rising demand for foodstuffs, raw materials and capital equipment, plus the removal of exchange discrimination and of nearly all quantitative restrictions, have made the Latin American countries an excellent market for Canadian goods. Sales in 1961 have risen.

A. M. BALDWIN, *Assistant Chief, Latin American Division.*

CANADA'S export and import trade with Latin America has assumed greater importance in recent years in the light of the increased assistance to, and investment in, Latin America by the United States and certain European countries on both private and government levels. There are valuable markets in many of these countries for Canadian products such as raw materials and semi-processed goods, and also for manufactured products. Population is still increasing at a very rapid rate in most of the Latin American countries except Argentina, and there are consequently growing needs for foodstuffs in which many of these countries are deficient. At the same time, industrial development programs vigorously pursued by several of the larger countries in this area (suc as Argentina, Brazil and Mexico have created a growing demand n only for raw materials but f capital equipment of all kinds.

Two-Way Trade Expanding

Many of the principal exports c Latin American countries—such a bananas, coffee, cocoa, cotton an wool—are not produced in Canad The importance of the market fo these products here has created continuing basis for the greater ex pansion of trade between Canad and Latin America. The Canadia Government has stimulated the ex pansion of trade throughout thi area to the fullest extent possibl within the framework of our over

all objectives in foreign trade relations. The exchange of most-favoured-nation tariff treatment between Canada and all countries in Latin America, either by the conclusion of bilateral trade agreements or under the provisions of the GATT that govern Canada's relations with nine Latin American countries (Argentina, Brazil, Chile, Cuba, Dominican Republic, Haiti, Nicaragua, Peru and Uruguay), has facilitated this trade. By virtue of these treaty relations, Canadian exports enjoy tariff access to Latin American countries on the same terms as those granted goods from other major trading countries, such as the United States and Britain.

In exchange treatment and licensing controls applicable to Canadian products in Latin American countries, there is similarly treaty provision for non-discriminatory treatment by virtually all countries. Moreover, with the achievement of external convertibility in Argentina, Chile and Uruguay, followed by the substantial reform introduced by the new Brazilian Government in March 1961, the Latin American countries have removed exchange discrimination and practically all quantitative restrictions in their trading transactions with Canada and other convertible currency countries, such as the United States and most European countries.

1961 Sales Rising

Canadian exports in the first half of 1961 rose to $118 million, or approximately 50 per cent, compared with the $80 million of the same period of 1960; indications are that shipments will continue to be large during the rest of 1961. Canada's exports to Latin America in the full year 1960 increased approximately 8 per cent over 1959; imports into Canada decreased approximately 10 per cent.

The major markets in 1960 were Mexico ($38 million), Venezuela ($35 million), Brazil ($20 million), Argentina ($19 million), and Colombia ($17 million). Exports in the first half of 1961 have continued to rise, especially those to Argentina, Brazil and Cuba. Among the principal products shipped were newsprint, wood pulp, wheat, salt cod, whisky, synthetic plastics and rubber, asbestos, primary aluminum and railway rails and track material. In addition, Canadian exports included other products such as seed potatoes, malt, cured fish, and milk powder.

CANADIAN TRADE WITH LATIN AMERICA

(Can.$'000)

	EXPORTS TO				IMPORTS FROM			
			January-June				January-May	
Country	1959	1960	1960	1961	1959	1960	1960	1961
Argentina	7,002	19,363	2,975	13,338	3,380	3,611	756	978
Bolivia	324	323	149	198	166	443	149	404
Brazil	14,148	19,755	6,073	14,970	28,479	24,883	9,385	10,161
Chile	6,226	6,575	2,888	4,165	870	747	568	840
Colombia	17,668	16,590	7,341	9,767	15,827	12,784	5,339	4,990
Costa Rica	2,633	2,983	1,487	1,576	4,810	4,345	1,358	1,782
Cuba	15,222	13,038	4,839	15,381	12,011	7,243	3,063	2,675
Dominican Republic	5,137	5,062	2,106	2,278	1,634	1,586	635	242
Ecuador	3,864	3,913	1,603	2,193	7,623	11,018	4,171	3,711
El Salvador	2,567	2,390	1,218	1,052	3,899	829	562	407
Guatemala	2,627	2,106	1,042	960	2,718	3,256	1,434	1,467
Haiti	1,319	1,529	717	868	1,053	982	299	339
Honduras	946	1,416	678	503	2,905	3,352	732	2,517
Mexico	27,633	38,023	15,133	19,176	34,201	21,007	11,473	9,968
Nicaragua	1,515	1,319	648	730	306	170	101	126
Panama	4,023	3,703	1,779	1,990	8,889	6,066	3,228	2,027
Paraguay	114	120	44	41	746	760	220	279
Peru	11,632	8,891	4,287	4,294	3,978	3,037	755	1,122
Puerto Rico	10,522	11,172	5,473	6,862	1,780	2,904	625	885
Uruguay	1,656	2,423	858	1,088	657	987	274	336
Venezuela	45,833	35,345	18,328	16,427	204,582	195,189	78,333	82,556
TOTAL	182,611	196,039	79,666	117,867	340,514	305,199	123,460	127,812

Commercial Relations

The Canadian Government has taken a number of important measures in recent months to strengthen and improve diplomatic commercial relations with Latin America. In January 1961 the Canadian Government announced the exchange of Ambassadors between Canada and Ecuador and the appointment of a Canadian Ambassador accredited concurrently to Costa Rica, Honduras, Nicaragua and Panama. Later in 1961, diplomatic relations were established with Bolivia, Paraguay and Guatemala and as a result, Canada's representation now covers practically every Latin American country. Recognition of the importance attached to Latin America was also shown by the sending of an observer delegation to the Special Ministerial Meeting of the Inter-American Economic and Social Council at Punta del Este, Uruguay. (See article on the *Alliance for Progress* on page 29 of this issue.)

Earlier in 1961, Canada also participated as an observer in the Ninth Session of the Economic Commission for Latin America (ECLA) held in Santiago, Chile, and on October 6 became a member of ECLA. (Canadian observer delegations had participated in its meetings for a number of years.)

In the field of trade promotion, a program of specialized trade missions has been arranged. In 1960-61, missions covering consulting engineering and construction engineering visited Latin America. In 1962, seven missions will go there: they will cover fisheries products, electronic products, non-ferrous metals, heavy machinery and equipment, electrical distribution equipment, forest products and organic chemicals. ●

LATIN AMERICA I

Part II of our annual business survey of Latin American business and trading conditions covers South America and completes the two-part review we began in our October 21 issue. Part I covered Central America, Mexico, and the Greater Antilles.

Argentina

Expanding oil production, a steel mill in operation, rehabilitation of the railways, a huge roadbuilding program—these testify to Argentina's continuing economic recovery. Many projects financed by foreign aid are under way; Canadian firms should watch for chances to sell equipment or services.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

THE Argentine economy has made commendable progress this year, despite the misfortune of a poor wheat crop. This progress resulted from the intensifying of the implementation of the basic plan laid down in 1958 to cure the economy of its ills and restore it to soundness and sanity. This plan had many facets. All of them were based upon the re-establishment of financial orthodoxy and many of them depended for ultimate success upon substantial foreign loans and credits. This is the field in which notable progress has been made this year. This orthodox financial policy, it is expected, will be continued in the foreseeable future in spite of the substantial internal opposition to the austerity program evident in many quarters. However, should Argentina be favoured next year with a normal wheat crop, this would appreciably reduce the opposition and, working within the sounder economy now being c ated, it should mean the beginni of general prosperity for all grou denied to this country for ma years.

Oil

Adequate development of t country's petroleum resources w always the prime factor in econon recovery. Following the decision some three years ago (against t highly vocal opposition of nation istic groups) to bring in forei drilling companies to exploit kno resources and explore for others, t program has been an outstandi success. Up to that time, crude a refined petroleum products w costing the country as much as U $350 million a year, or roughly o third of the total annual fore exchange earnings. It has just be announced that by the end of 19 Argentina will be self-sufficient oil products, on balance, for first time in its modern histo Certain types, including lubricat oils, will still have to be impor because there is not yet enou domestic refining capacity. Ho ever, these purchases will be cou terbalanced by expected exports crude oil, gasoline and other products. The result is that this la slice of the national earnings c be diverted to the purchase abr of other badly needed products.

Steel

The establishment of a basic st industry has also been an import factor in the hoped-for econo

recovery. The steel mill, SOMISA, at San Nicolas, financed jointly by the Argentine Government and private capital, already has two furnaces in production. Output by the end of this year is planned to reach some 665,000 metric tons of steel ingots. This volume is to be doubled in 1962 and trebled by the end of 1965, as new furnaces are successively fired. What is still more encouraging is the fact that two private foreign companies contemplate establishing steel mills to operate from the ore stage up. Present official policy is to sell to private entities all but about 10 per cent of the Government's present majority share holdings in SOMISA. In addition to permitting the diversion of substantial amounts of foreign exchange to the purchase of other needed goods, a successful basic steel industry will foster the growth of an industrial complex based upon it. Substantial credits from the U.S. Export-Import Bank and the Development Loan Fund made possible the creation of SOMISA.

Power

Progress has also been made in reducing the chronic shortage of electric power in Buenos Aires and environs. One new generator installed in the New Port area recently went into operation and a second is planned for 1962. The stalled South Dock generating plant of some 600,000 kw. capacity has again come to life. Negotiations are on foot for a World Bank loan to finish the project and have it operating within a reasonable time. This loan is expected to total initially $50 to $60 million, with a further $25 million later. The Argentine Government has awarded consulting engineering contracts for reports on the El Chocon hydroelectric power project on the River Negro and for the Salto Grande project jointly with Uruguay. The Province of Santa Fé is reported to have signed a contract with a British firm to build the El Cadillal dam. Other hydroelectric projects moribund for some years because of lack of funds are being revived, based on the expectation of obtaining foreign loans to carry them out.

Transportation

Substantial new purchases of diesel locomotives and railway coaches are to be made abroad. An important order of Japanese coaches has already begun to arrive, and some 215 diesel electric locomotives are to be bought this month. It is fully expected that one Canadian firm will get a third of this business and there is a possibility that Canadian companies will supply half of the total order. Other improvements are being made in rolling stock and other equipment and in roadbeds. The railways, all nationally owned, are the main cause of the chronic and relatively heavy annual budget deficit and serious efforts are being made to place them on a sound financial footing. There is considerable employee opposition to the measures planned to improve the efficiency of both men and equipment.

The planned road program for both federal and provincial highway systems has made appreciable progress*. Paving contracts have already been awarded for a number of important roads and others are in process of negotiation. Improvement of the existing road system is planned before extension is considered. Both the federal and provincial governments are negotiating substantial purchases of roadmaking machinery and equipment; so are a number of private contractors.

The rivers, canals and harbours improvement program is also receiving attention. Tenders have been called for the Bermejo River Canal project which would link northwestern Argentina with the Paraná River and the open sea through the River Plate at Buenos Aires.

A complete overhaul of the national merchant marine is also planned in two stages, 1961-1964 and 1965-1970. In the first stage 42 ships will be retired from service, including passenger and freight ships and tankers. To replace them, two 9,000-ton passenger ships, four 5,000-ton freighters and 14 light freighters will be incorporated into the fleet. In the second stage, another 18 ships will be scrapped. Added to the fleet will be two 8,000-ton passenger ships, nineteen 8,000- to 8,500-ton freighters and ten 4,000- to 5,000-ton freighters.

Industry and Foreign Investment

According to a Central Bank report, industrial production in 1960 increased by about 9 per cent over 1959. The first half of 1961 also showed a small improvement over 1960 and a further gain is confidently expected in the last half of this year. The comparatively new automotive industry was mainly responsible for the increase. However, if this industry's expansion is ignored, the production index shows a decrease.

Special efforts are being made to introduce new industries which could obtain the greater part of their material needs within Argentina. The steel and petrochemical industries are outstanding examples. Pulp and paper projects are being encouraged, as are the motor vehicle and tractor industries. Many others are receiving similar incentives in the form of a reduction in or exemption from import duties, exchange surcharges and internal taxation, plus high depreciation rates, accelerated amortization and similar devices. However, the virtual freeze on wages and salaries has created a lot of labour unrest and this has retarded industrial progress considerably. The Government is continuing its policy of selling state-owned plants to private companies.

A substantial amount of foreign capital continues to enter Argentina. The industries involved are fairly widely diversified, but probably the most spectacular example is the automotive industry. At least a dozen United States and European

*See "Roadbuilding Equipment and Contracts—Argentina" in the November 4, 1961, issue of *Foreign Trade*.

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cars are now being made here or soon will be, all with a rapidly increasing Argentine content. This foreign investment is responsible to a pronounced degree for the existing foreign trade deficit. During the January-April period of the present year the Government approved foreign investment projects totalling U.S.$56 million. In the three years since the new investment law was passed, the investments approved total U.S.$323 million. In addition to Canada, the United States and Japan, almost every European country is represented among the investors.

Agriculture

Agriculture has had a relatively poor year because of a sharply reduced wheat crop caused by bad weather and insect attacks. However, the corn crop that followed it was more or less normal in yield. Drought affected meat production adversely by reducing the available pasturage. Pork exports dropped substantially, following an embargo established by some European countries against imports from Argentina because of the prevalence of foot-and-mouth disease. The campaign to eradicate this disease is being carried forward and intensified because its complete elimination is a prerequisite of success in finding new and lucrative markets for uncooked meats in the United States, Canada and many other countries, where they are now barred. Although this program depended entirely on vaccination at the beginning, the slaughtering and adequate disposal of infected animals has now been undertaken in Patagonia. Because the animals and animal products group and the grain and grain products group combined normally account (roughly in equal amounts) for about 90 per cent of Argentina's earnings of foreign exchange, their importance to the economy is evident. Agro-pastoral circles have been beset by the fear that, as the European Common Market develops, Argentina's normal exports will gradually be squeezed out. However, if the ECM should achieve its objective of raising the standard of living of some 200 million persons, it seems likely that the demand created would still require the entire volume of relatively low-cost supplies that Argentina can normally produce.

Financial Indices

In March the reserves of gold and foreign exchange reached U.S.$705 million but at the end of May th[e]y had dropped to $647 million. Th[e] chief reason was the poor whe[at] crop. However, this decrease [is] causing no particular concern [in] economic circles. The sums avai[l]able are ample to permit the Cen[]tral Bank to maintain the stabili[ty] of the peso.

New loans and credits hav[e] recently been negotiated beyon[d] those already mentioned. Chi[ef] among these are a credit of U.[S.]$48.5 million from the World Ban[k] to finance the start of the road building program. A further U.[S.]$130 million is being negotiated f[or] the same purpose. To finance the [El] Chocon project, it is reported th[e] Inter-American Development Ban[k] will lend U.S.$300 million, with [a] further U.S.$15 million to financ[e] industrial, mining and agricultur[al] entities. Much the greater part [of] these credits is designed to perm[it] the purchase abroad of machiner[y] and equipment; costs of labour an[d] local materials are to be finance[d] within Argentina. The IADB ha[s] also lent U.S.$50 million for th[e] housing program and U.S.$34 mi[l]lion was supplied by the Develop[]ment Loan Fund for aerodrom[e] construction. Further credits t[o] finance the rehabilitation of th[e]

A Canadian motor grader is put through its paces on one of the provincial roads on the Argentine Pampa. After hard tests, it proved its ability to cope with the muddy and slippery roads in rainy weather. Two of these graders are now in operation and more may be sold in coming months.

ransport systems are expected to be obtained from the World Bank and the U.S. Export-Import Bank.

A balanced budget of 180,260 million pesos for National Government expenditures only was recently announced for the fiscal year November 1961 to October 1962. However, in the 1960/61 budget, extra-budgetary spending added a further 25 per cent beyond the total originally authorized by Congress. Official circles hope that the balance can be maintained by strict adherence to the estimates of ministerial expenditure, postponing all but the absolutely indispensable expenditures, reducing the unwieldy civil service, sharp reduction of the deficits chronically piled up by state-owned entities, and by more thorough tax collection. The deficit of the railways is estimated at 15,000 million pesos. (Canadian $1.00 is roughly worth 80 pesos.)

However, of the income budgeted, 13,200 million pesos will be the proceeds of the sale of national bonds and the estimate of the income has been based on the expectation that economic activity will increase substantially. The Central Bank estimated that the gross national product in 1960 totalled about 715,000 million pesos and predicts 830,000 million for 1961 and 881,500 million for 1962.

Commercial circles expect continued difficulties with inflation and a rising cost of living. The cost-of-living index of the *Review of the River Plate* indicates a rise of 12.1 per cent during the January-August period of this year. This figure is close to the 13 per cent rise during the same period in 1960 and it shows that the bogey of inflation has by no means been banished. ●

A second article, on Argentina's foreign trade, will appear in a future issue.—Editor.

Brazil

Cruzeiro has strengthened, industry continues to expand, though rate of increase in G.N.P. is smaller. Elimination of discriminatory exchange rates should help Canadian sales, which have increased sharply in first half of 1961.

MALCOLM ROWAN, *Assistant Commercial Secretary, Rio de Janeiro.*

SOME order was restored to Brazil's finances during the first half of this year. The recent political disturbances, however, have had an unsettling effect on the economy and some of the progress made by the anti-inflationary and austerity program of the Quadros Administration has been lost.

Contrary to expectations, tight money did not restrain industrial production very much nor affect the high level of employment in the two major labour markets of Rio de Janeiro and São Paulo. Preliminary figures for the first six months give the average increase in industrial output as 14 per cent over 1960; in agriculture, the increase was 11 per cent.

Bank of Brazil 150-day import bills, instituted by SUMOC Instruction 204 in March 1961, helped relieve the pressure on the resources of the Bank by providing U.S. $106.5 million to the Bank of Brazil by the end of May; the bills have since become one of its main sources of revenue. At the same time, import bills caused a drain on deposits in the commercial banks as investors purchased them at discounts as high as 30 to 35 per cent. To overcome the resulting credit squeeze, the banks were allowed to maintain lower cash reserves. New issues of paper currency and a more liberal rediscount policy have also eased the tight money supply, but at the cost of rising inflation. From January to August 25, 1961, U.S.$100 million was added to the money supply; the cost-of-living index increased 16.5 per cent during this period.

Cruzeiro Strengthened

In late August and during September, an additional U.S.$173.3 million of new money was issued and the cost of living rose accordingly—about 3 per cent in September. The Minister of Finance promises speedy withdrawal of the new money but the effects in higher prices are already being felt by the consumer. The cruzeiro on the free market, weakening before the political crisis, dropped to slightly over Cr.$300 per U.S. dollar during the crisis but has since strengthened to Cr.$287. Banking and business was at a standstill in early September because the banks closed to avoid withdrawal of deposits. Business is now returning to normal although the situation is still fluid; some businessmen are maintaining a "wait and see" attitude.

The new Finance Minister has stated that the policies of the former administration will be retained and built upon. This should mean a suitable climate for investment and the international loans necessary for continued development.

Foreign Investment

Industrial progress in Brazil is by and large the result of foreign investment. From December 1957 to June 30, 1961, U.S.$513.5 million has been invested without ex-

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change cover under former SUMOC Instruction 113 (see *Foreign Trade,* March 11, 1961). Of this, 75 per cent has gone to the State of São Paulo; the States of Rio de Janeiro, Guanabara and Minas Gerais obtained approximately 6 per cent each. The automobile and allied parts industry is currently receiving the most attention, with 48 per cent of the total investment; the chemical, heavy equipment and machinery industries are each receiving approximately 10 per cent.

Canada has invested a little over $22 million, or about 4.31 per cent, under the above Instruction, mainly in the chemical, petrochemical and non-ferrous metals industries. The United States and Germany have the largest total foreign investment in Brazilian industry under this Instruction.

Profits Bill Drafted

Until recently, profits could be remitted abroad at advantageous exchange rates, but this was changed in March and again in June of this year and remittances may now be made only at the free market rate. A draft bill presented to Congress in August proposes placing limitations on profit remittances and, in effect, states that companies shall pay income tax on profits in the following manner:

1. Thirty per cent income tax payable on contributed profits.

2. Ten per cent income tax payable on profits that are actually invested in or applied to new shares of private service enterprises, mixed economy companies or companies organized in the northeast with the approval of SUDENE (Superintendency for the Development of the Northeast).

Designed to stimulate reinvestment of profits of national and foreign enterprises, to regulate remittances of profits abroad, and to encourage the nationalization* of enterprises integrated by foreign capital, the bill is still being studied by Congress. It is interesting to note that it does not discriminate solely against foreign capital but covers all capital investment. Income tax on profits remitted abroad (including royalties) before this bill and still in force is 25 per cent, and is in addition to the internal income taxes that apply to all individuals and companies.

Industry Expanding

Brazilian industry is expanding rapidly, with very noticeable growth this year in basic industries, (especially steel, chemical and non-ferrous metals); consumer goods industries show high average increases as well. Unfortunately, only estimated increases in output are available but these average about 14 per cent throughout the manufacturing industries. The greatest increases over last year were in the automobile (35 per cent), electrical (34 per cent), oil-refining (22 per cent), mineral-extraction including oil (19 per cent), beverages (19 per cent), chemical and pharmaceutical (19 per cent), steel and other metal industries (17 per cen
Only the rubber industry, whi
reportedly encountered initial di
culties in meeting the conditio
imposed by Instruction 204, show
a decline in production.

Even though Brazil has had
phenomenal industrial growth du
ing the past few years, the annu
increase in gross national produ
has been declining from a high
7.8 per cent in 1957 to 4 per ce
in 1960, mainly because of small
earnings from coffee exports. T
new Government is planning for
annual increase in G.N.P. of 7
per cent.

Canadian-Brazilian Trade

Canadian exports to Brazil ha
increased during the past two yea
and trade during the first fi
months of 1961 exceeded the figu
at the end of May 1960 by near
140 per cent. What are the ma
reasons for this increase? The fir
is a freight rate concession by th
Conference Lines on newspri
which, beginning in 1960, made
possible for Canadian pulp an
paper mills to compete more su
cessfully with Scandinavian. O

This concrete spillway going up at the large Furnas hydroelectric power proje situated 255 miles from Rio de Janeiro symbolizes Brazil's industrial progres

*Nationalization in this sense means incorporation under Brazilian law.

WE SOLD TO BRAZIL

	1958	1959	1960	1961 Jan.-May
		(Can.$'000)		
Aluminum in primary forms	2,647	1,629	5,027	2,253
Newsprint paper	3,684	1,643	3,225	2,785
Asbestos milled fibres	1,386	1,395	1,815	1,113
Milk powder, whole milk	....	....	864	523
Milk powder, skimmed	1,003	103	426	....
Malt	728	459	331	251
Nickel, fine	492	390	568	365
Copper	997	196	152	399
Wood pulp, sulphate bleached	26	....	873	145
Wood pulp, sulphate unbleached	....	....	429	298
Plastics, synthetic rubber, not shaped, n.o.p.	....	....	766	644
Zinc spelter	275	117	304	169
Light salt cod	264	311	13	51
Fountain pens and mechanical pencils	....	11	13	520
Sheet and strip steel, n.e.s.	52	64	....	343
Heavy salt cod	44	213	10	84
Total, all exports	**21,169**	**14,148**	**19,755**	**12,311**

WE BOUGHT FROM BRAZIL

	1958	1959	1960	1961 Jan.-April
		(Can.$'000)		
Coffee, green	20,131	20,477	18,541	6,573
Cocoa butter	1,560	2,024	722	none
Iron ore	909	1,113	1,606	230
Sisal, istle, tampico fibre	1,049	884	653	426
Castor oil, not edible	630	558	606	37
Cocoa beans, not roasted	734	459	559	21
Wax, vegetable and mineral, n.o.p.	802	346	268	115
Manganese ore	....	848	254	none
Brazil nuts, not shelled	246	272	323	*
Brazil nuts, shelled	237	222	373	24

*Value less than $100,000.

ewsprint exports for the first five onths of this year exceed our total ewsprint exports in 1959 and present well over half those of 960. Asbestos milled fibres, coper, synthetic rubber, sheet and strip eel and, to a lesser extent, aluinum in primary forms, fine nickel d malt have shown corresponding creases.

Second, discriminatory exchange tes are gradually being eliminated. hese rates have in the past given rtain countries which made biteral agreements with Brazil exange advantages of 15 per cent more over Canada and other untries with fully convertible curncies. The exchange advantage for e few countries remaining is currently about 6 per cent in terms of U.S. dollars. Canadian exports primarily affected by trade agreements have been salt codfish, wood pulp, malt, and a few manufactured goods. Fortunately the trend seems to be toward fewer and fewer of these discriminatory rates.

Following the expiry of the trade and payments agreement between Brazil and Norway on September 28, 1961, payments by Brazilian importers for Norwegian goods will now be made at the free market rate. This places Canadian exporters of salt cod on an equal footing with Norwegian shippers to the Brazilian market, as far as exchange treatment is concerned. The recent trade treaty negotiated with the U.S.S.R. resulted in Soviet currency being offered at the free market rate. However, at the first offering, no importers were interested in buying. Other Eastern European countries which negotiated similar trade treaties with Brazil are also expected to have their currencies placed on the free market.

Where Opportunities Lie

Canadian exporters can look to Brazil for some time to come as a market for primary and semi-manufactured products. In addition, there are opportunities in the heavy machinery and equipment field for such things as locomotives, track maintenance equipment, hydroelectric turbines and generators, and thermoelectric plants.

There are few opportunities, if any, for consumer goods through normal marketing channels because of the continued policy of industrialization that includes protection of domestic industry through high tariffs and multiple exchange rates. In fact, rather than being an importer of many consumer goods, Brazil is now exporting them in small quantities. One example is the export of limited quantities of small electrical appliances to other Latin American countries. A summary of the current import regulations can be obtained from this office.

Exports Encouraged

Brazil has taken significant steps in the past few months which show that it is embarking on a vigorous export program. These steps include a duty drawback system and the establishment of an organization for financing the export of capital and durable consumer goods.

According to the Finance Ministry, Brazil's balance on current account for the first six months of 1961 shows an estimated deficit of U.S.$90 million, calculated on the c.i.f. and f.o.b. values for imports and exports respectively. This is U.S.$22 million more than for the same period last year. The over-all

balance-of-payments deficit would have been larger but for the moratorium on foreign loans obtained earlier in the year that allowed the postponement of U.S.$272.5 million of repayments due this year. Exports increased to U.S.$622 million from U.S.$606 million in 1960, because of larger shipments of cotton, petroleum and its derivatives, iron ore, manganese ore, castor seed, sugar, sisal and menthol. However, exports of coffee, wax, hides and skins, and cocoa butter were smaller during this period. Imports increased by 5.8 per cent, or by U.S. $38.8 million.

Free Trade Association

Brazil is a member of the eight-nation Latin American Free Trade Association (LAFTA) which is expected to take its first step in the new year toward development of a free trade area. Brazil is probably the most industrialized of the LAFTA countries and will no doubt play a dominant rôle in its future development. It has in recent months made an important concession to imports from member countries at the expense of non-members. This concession was given in SUMOC Instruction 208 of June 28, 1961, and exempts importers from purchasing Bank of Brazil 150-day import bills for all imports from LAFTA countries. Because of the high cost of borrowing money, this is an important consideration to the importer, as these import bills are currently discounted at 30-35 per cent a year.

Some imports from other countries were also exempted; the most important ones, as far as Canada is concerned, are wheat, newsprint, oil-industry equipment and industrial machinery and equipment, plus imports made by government agencies.

There are few Canadian exports that compete directly with exports from LAFTA countries, but they represented 27 per cent of our total trade to Brazil during 1960 and 23 per cent during the first three months of 1961. Newsprint and wood pulp competition from Chile will probably become keener as that country increases its production, most of which is for export. Already Chilean exports of sulphate pulp in the first three months have surpassed last year's and are twice Canadian exports up to March of this year.

As of August 31, 1961, Argentina's currency is freely convertible and therefore no longer has an exchange advantage. However, it is still too early to foresee the over-all effect it will have on our competitive position vis-à-vis Argentine exports in our sales of wheat a[nd] malt.

Despite difficult and changi[ng] conditions during the first half [of] this year, Brazil has made good [in]dustrial progress, with most indu[s]tries recording increases in outp[ut]. The third quarter, however, sho[wed] a general business slowdown b[e]cause of the recent political d[is]turbances that resulted in ban[ks] being closed for about two week[s]. The present economic situation [is] fluid and calls for a cautious b[ut] optimistic approach, considering t[he] declared intentions and programs [of] the present government. ●

British Guiana

Opening of DEMBA'S $65-million alumina plant in February w[ill] increase exports; important new diamond strike made. Canadi[an] sales up sharply in 1960 because of equipment sold for alumi[na] factory; rise in exports of other products should continue.

R. F. RENWICK, *Trade Commissioner, Port-of-Spain.*

IT seems strange that British Guiana, the only English-speaking and British-oriented country in South America, is not better known to Canadians. Since World War I, Canadians have made large-scale investments in British Guiana and currently Canada is British Guiana's second most important market. For many years, Canadian exporters have looked upon British Guiana as an extension of the Caribbean market and they have built up sales of a wide range of consumer goods and foods.

Alumina Plant Opened

The Demerara Bauxite Co. Ltd. (DEMBA), British Guiana, was established in 1916 by the predec[es]sor of the present Aluminum Com[pany] of Canada Ltd. for the st[rip] mining, processing and export [of] bauxite. In 1956, DEMBA start[ed] planning and then construction [of] its new $65 million alumina pla[nt] at Mackenzie. Production got und[er] way in March 1961 and the fi[rst] export shipment marked the co[m]pletion of the largest single indu[s]trial project in the history of Briti[sh] Guiana. Today DEMBA, wi[th] the much smaller production [of] Reynolds Metal Company on t[he] Berbice River, is the source [of] about 15 per cent of the free worl[d] supply of bauxite.

Unfortunately, a bar at the mou[th] of the Demerara River permits t[he] passage of only shallow draft ve[s]sels to Mackenzie, 50 miles sou[th]

Note: Unless otherwise indicated, values are in West Indian dollars. W.I.$1.00=Canadian 60 cents.

and up river from Georgetown, the capital and business centre of the country. Trinidadians thus participate in the business of exporting British Guiana's bauxite and alumina. A large-scale transhipment and topping installation at Chaguaramas deep-water harbour (near Port-of-Spain, Trinidad), provides employment and government revenues, a critical need in most parts of the Caribbean. Cargoes of bauxite and alumina, partially or fully transhipped at Chaguaramas, are then sent to Port Alfred, Quebec, destined for Arvida and the world's largest alumina smelter. Chemically processed calcined bauxite is also shipped directly to a number of industrialized countries.

Mining Industry Vital

Mining in British Guiana employs only about 4,000 of its population of 561,000—of which roughly 50 per cent are of East Indian extraction, one-third of African origin, and the remainder European, Chinese and Amerindians. Nevertheless, the miners' income and living conditions are far above the average. Union Carbide Corporation, with headquarters in New York, produces manganese from a mine in the northwest part of the country. The mining and export of diamonds, with manganese and bauxite, account for one-third of the total exports of British Guiana and are important sources of revenue to the government.

Those Canadians living in mining areas can readily appreciate the excitement caused by news of a diamond shout (new strike, or discovery). Last June 15 at least 20 porknockers (sourdoughs) living in the East Demerara district and 25 others from other adjacent areas left abruptly for the new B.G. shout at inland Kurupung. In 1957, 28.4 carats of diamonds were exported. In 1960, these exports rose dramatically to 96.9 carats, valued at approximately $5.5 million. On the other hand, the more important but prosaic bauxite exports were valued at $31.3 million in 1960, representing about 26 per cent of total exports.

Foreign Trade Expanding

The following table shows that, with the exception of a depression year in 1958, when bauxite exports fell sharply and exports of rice declined drastically because of drought, the foreign trade of British Guiana has increased significantly. The relatively large deficit in the balance of visible commodity trade reflects a heavy inflow of capital, much of it direct foreign investment in mining. Also important are grants-in-aid funds and Colonial Development and Welfare grants, both from Britain.

BRITISH GUIANA'S IMPORTS AND EXPORTS

(W.I.$'000)

Year	Imports	Exports	Balance of visible trade
1955	94,518	90,533	— 3,984
1956	99,877	94,692	— 5,185
1957	118,470	108,086	—10,384
1958	116,026	97,228	—18,799
1959	110,620	103,520	— 7,100
1960	147,799	125,728	—22,071

Source: *Quarterly Statistical Digest*, the Statistical Bureau, Georgetown, B.G., March 1961.

Agricultural Products Important

Export sales of British Guiana rice reached approximately $15 million last year, a $3 million increase over 1959. The West Indies (particularly Trinidad, Jamaica and Barbados) provide the most important markets but with improved processes for producing white polished rice, it is expected that Cuba will become a good customer. The British Guiana Rice Marketing Board sells all the rice and the yearly meetings of the annual Rice Conference, attended by British Guiana and West Indian delegates, fix agreed government import/export and consumer prices. Exports of rice from British Guiana in 1960 are provisionally estimated at $14.8 million (12 per cent of total exports) up from the record low of $4.8 million in 1958.

CANADIAN IMPORTS FROM BRITISH GUIANA

	1958	1959	1960
	(Can.$'000)		
Total imports	**20,644**	**18,033**	**18,921**
Of which:			
Sugar (raw)	9,758	7,999	8,276
Bauxite alumina (refining)	7,623	6,929	8,199
Alumina and bauxite (n.o.p.)	1,737	1,801	1,516
Molasses	429	524	487
Rum	957	731	373

CANADIAN EXPORTS TO BRITISH GUIANA

	1958	1959	1960
	(Can.$'000)		
Total exports	**4,066**	**4,392**	**7,428**
Of which:			
Machinery and capital equipment (14 DBS classification numbers)	68	56	2,131
Dried pollock	506	540	650
Wheat flour	409	489	414
Reapers, threshers or combines	9	7	323
Tobacco	229	263	257
Sardines	149	170	187
Split peas	260	289	160
Cotton fabrics	119	78	138
Newsprint	99	129	137
Mining machinery and parts	19	144	121
Planks and boards	91	82	120
Medicinal preparations	69	78	112
Pickled pork	115	146	108
Potatoes	192	170	60

Source: *Trade of Canada*, DBS.

Canadian Trade with B.G.

British Guiana's industry and trade are dominated by two giants, DEMBA for bauxite and Messrs. Bookers Bros. McConnell & Co. Ltd. of Britain and Canada for sugar. Bookers Estates Ltd. produces about 80 per cent of the country's sugar on its southeastern coastal belt lands where about nine-tenths of the people live and work on the sugar estates and small rice farms. The Demerara Company of Liverpool produces nearly all the remainder of the sugar crop.

Britain comes first, by far, in the export and import trade of British Guiana. Canada is its very important second market, taking $31.4 million (in 1960) of B.G.'s total exports,

compared with $46.7 million taken by Britain. The table on page eleven of Canada/British Guiana trade shows the value of the few but important commodities (sugar and bauxite) shipped from British Guiana to Canada in quantity.

The phenomenal 70 per cent increase in Canadian exports to B.G. in 1960 over 1959 resulted almost entirely from purchases of machinery and equipment for the new alumina plant. It is impractical to single out these items from trade returns. However, over Can.$2.1 million is accounted for by taking 14 DBS classification numbers of major products related to an industrial development of this nature. This includes pumps, engines, conveying equipment, miscellaneous machinery, dynamos, generators, and other capital equipment.

Last year, Canadian sales of agricultural products fell by almost 10 per cent, largely because of smaller demand for several major food products, such as flour, split peas, potatoes, onions, mixed feeds and evaporated milk. Canadian wheat flour has to compete with subsidized flour sales from the United States, and the opening of a split pea mill in Trinidad is having its effect on the nearby B.G. market. To offset these losses to some degree, there were gains in some processed food lines, such as macaroni, spaghetti, cured hams and shoulders, canned meats, apple juice, applesauce and ketchups.

Sales of Canadian rice-harvesting combines made major gains; these purchases were financed by the B.G. Rice Marketing Board in co-operation with the British Guiana Credit Corporation. More modest were increases in exports of pine lumber, paper products, metal furniture, cotton fabrics, paints, medicinal preparations, drugs and chemicals. A lucrative bulk caustic soda contract for the reduction of bauxite was placed in the United States. In this instance, the general tariff of 36 per cent ad valorem applied to imports of sodium hydroxide compared with the British preferential rate of 20 per cent was inoperative because of government approval of duty-free imports.

Many Canadian manufactured goods, including a variety of medicinal preparations, toilet articles, paper products, metal furniture and refrigerators, enjoy a 16 per cent preference in British Guiana (rates on these goods are 20 per cent ad valorem, c.i.f., British preferential, and 36 per cent M.F.N.). Materials used by industries which are encouraged by Government are generally dutiable at lower rates and are in some cases permitted duty-free entry from any source. Import controls were largely abandoned in July 1959, with a further round of liberalization in July 1960. Shirts, pyjamas, underwear, milk products and poultry meats are among the products still subject to import licences and quotas. Wheat flour is also subject to licensing for statistical purposes, and to ensure that British Guiana lives up to its undertaking under the International Wheat Agreement.

Taking into consideration these liberal ground rules, Canadian exporters should be able to continue to sell a wide range of commodities to the grocery, hardware, and department-store trades. Landed prices are all-important in this market and all too frequently the volume of sales is small. Nevertheless, orders for Canadian oats, Ontario winter wheat flour, biscuits, jelly powders, oil cake, rubber hose and wood doors were secured in 1960; they are mentioned as only a few of the products that together represent a 100 per cent increase in Canadian export sales over 1959.

Future large-scale imports of capital goods and equipment are likely to come from those countries that give British Guiana economic and technical aid. The country's domestic investment resources are meagre, unemployment is chronic, and it is the stated policy of the new People's Progressive Party Government to actively seek out extensive aid and investment from whatever overseas sources it can find. ●

A string of cars loaded with bauxite moves down to Demerara Bauxite's new alumina plant at Mackenzie, completed this year, from the company's nearby mines.

Chile

Large development programs, rising production based on resources inspire cautious optimism; Canadian sales on the increase. Opportunities are good for sales of chemicals and other industrial raw materials and of capital goods on long-term credit.

J. M. KNOWLES, *Assistant Commercial Secretary, Santiago.*

ON August 25, President Alessandri ddressed the nation on the political and economic pressures that hreaten Chile's economic gains of he past. He expressed concern that he country's creditworthiness, upon which so much depends, be mainained.

There have been many indicaions in the past 12 months that ll is not well with the Chilean conomy. Foreign exchange reserves were dangerously low a year ago nd the situation has not improved. Continual refunding of external lebt has created a situation where Chile must finally face the necessity f making unusually large foreign emittances over the next four or ve years. Stabilization credits otalling $135 million had to be btained this year from the IMF, he Export-Import Bank, the United tates Treasury, and U.S. private anks. There will almost certainly e difficulty in maintaining the exrnal value of the escudo, which r nearly three years has stayed egged at the rate of 1.05 escudos the U.S. dollar. Many believe it overvalued and, despite periodic nd strenuous denials of any such tention, there are persistent umours that it will eventually be evalued by about one third.

ndustrial Unrest

Reasons for this deterioration in hile's economic position are any. First and foremost, the resent regime inherited a number serious problems from earlier lministrations. A wave of dissatisction with current conditions has vept the country. Wage-earners, their emotions fanned by agitators, have gone on strike for large wage increases to compensate for the now much slower but still real erosion of the currency's purchasing power. The Huachipato steel mill has just undergone a crippling two-month strike. The State Railways have been out for weeks, and coal-miners, teachers, and National Health Service employees have each staged short strikes. More serious because of its effect on the foreign exchange earnings is the month-long strike in the copper mines. The copper companies have announced that this time they are finally determined to resist the workers' demands; a temporary truce has been arranged under which strikers have returned to work but the basic disagreement remains unresolved.

Ten-Year Program

The Government is keenly aware of the size and nature of its problems and is taking as many steps to deal with them as it considers politically possible. Much hope has been expressed that the *Alliance for Progress* program will bring about dramatic economic improvements. Last January the Chilean Government Development Corporation announced the beginning of a ten-year, $10 billion program aimed at transforming industry. (See *Foreign Trade* of March 11, 1961.) This program has so far moved at a somewhat slower pace than was originally expected. Nevertheless, progress is encouraging, assisted by large amounts of foreign aid—most of it in the form of suppliers' credits offered by various countries following the earthquakes of May 1960. Industrial production is rising, other sectors are at least holding their own, but the effect of massive public and private capital investment has yet to be felt. One may still take a cautiously optimistic view of Chile's future.

Development of Resources

• *Forest Products*—The Government Development Corporation, with the financial assistance of the United Nations Special Fund, has set about creating the Institute for the Development of Forest Resources and Industries. This institute will cost nearly $1.5 million to establish and is intended to furnish the technicians and plans to double the annual output of sawn timber, to increase the annual production of chemical wood pulp from 70,000 to 220,000 tons, and of newsprint from 55,000 to 220,000 tons. It will foster new industries, such as particle board manufacture and additional plywood and prefabricated housing facilities.

• *Oil and Gas*—Crude petroleum output by the Government Petroleum Enterprise (ENAP) in July reached a new monthly high of 132,600 cubic metres. During August, average daily production of natural gas also broke all previous records.

• *Iron Ore*—In 1960, Chile's seven most important iron mines produced 4.06 million metric tons of iron ore and 4.91 million tons were exported. Principal customers were the United States, West Germany, Japan, Argentina, Belgium, Czechoslovakia, and Canada. Production is expected to reach 15 million tons by 1965. A number of important iron ore deposits have been discovered recently and are to be exploited by a new state-controlled mining corporation capitalized initially at 65 million escudos.

• *Copper*—In August the Minister of Mines announced the Government's determination to increase

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production by at least 40 per cent by 1970 and to require that smelting and refining be carried out in Chile so that copper can be exported in the most highly processed form commercially possible. The Government is preparing legislation that will have the effect of penalizing producers who do not install refining facilities, of raising taxes on copper production, and transforming producers into nationally constituted companies instead of simply agencies of foreign companies. The companies will be obliged by law to make new capital investments to increase their installed capacity by 15 per cent every three years, and to refine in Chile 90 per cent of their output, or pay higher taxes which in certain circumstances could conceivably reach 100 per cent of profits. Negotiations are proceeding with the Soviet Union for the sale of large quantities of refined and blister copper; an accord will probably be reached in the near future.

Foreign Trade

Imports into Chile in 1960 totalled U.S.$489.1 million; exports reached U.S.$489.6 million, leaving the country with a favourable trade balance of less than $500,000. The United States was Chile's principal supplier and best customer, followed by Germany, Argentina, Britain and Peru. Imports so far in 1961 have increased considerably over last year but exports are down.

There have been many interesting trade developments since our report on business conditions last year. First, the need to obtain consular visas on shipping documents was abolished last January. Second, most of the bilateral trade and payments agreements that Chile formerly maintained with a number of other countries have lapsed and practically all Chilean trade is now carried on in convertible currencies. Third, what remains of the prior deposit system on imports is soon to be replaced entirely by import surcharges. Although from the importer's viewpoint this is every bit as restrictive as before, it at least has the virtue of diverting badly needed extra revenue to the Government, at the expense of the private banks. The banks have for years profited handsomely by charging interest rates of about 20 per cent a year on import deposits, which ranged from 5 to 1,500 per cent of the c.i.f. value of the incoming merchandise. The change will help the Government to finance the proposed salary increases.

Formal Tariff Soon

The entire import deposit-cum-surcharge system is eventually to be replaced by a new Chilean tariff expected to go into effect from January 1, 1962. There are indications that this tariff will be quite restrictive and foreign suppliers can expect few if any new opportunities. At the same time, the adoption of a formal tariff will mean, under the rules of the GATT, much less o the upward and downward manipu lation of rates which is so difficul and unpredictable an aspect of th existing system. This should even tually work to the advantage o potential sellers to this market.

TABLE I

CANADA-CHILE TRADE

	Exports	Imports
	(in Canadian dollars)	
1956	4,419,553	1,703,666
1957	4,360,978	1,621,515
1958	4,601,650	825,379
1959	6,260,166	869,973
1960	6,574,875	746,801

Trade with Canada

Canadian exporters to Chile hav averaged sales worth approximatel $5.2 million a year over the pas five years. In 1960 they reache $6.6 million, bolstered by slightl over $1 million worth of gift flou and canned luncheon meat donate by the Canadian Government fo earthquake relief. Since late las year, however, normal commercia sales to Chile have increased sub stantially.

From January to May 1961 Canadian exports totalled $3.4 mil lion, an increase of $1.3 millio over the same period in 1960. Ou sales during the first five months o the year were running, therefore at an annual rate of over $8.2 mil lion for the first time in nearly a decade, during which we lost Chil as an important market for wheat wood pulp and newsprint. Tabl I gives totals for Canada-Chil foreign trade for the five year 1956-60.

TABLE II

PRINCIPAL CANADIAN EXPORTS TO CHILE

	1958	1959	1960
	(in Canadian dollars)		
Synthetic fibre, thread, yarn, and manufactures	274,224	447,409	943,103
Wheat flour	37,883	47,771	887,798*
Asbestos fibres and products	778,384	620,917	824,328
Aluminum, primary and semifabricated	310,168	451,032	413,640
Agricultural machinery and parts, including tractors	113,495	185,166	370,518
Plastics, synthetic rubber	....	....	345,993
Mining machinery and parts	410,183	275,258	322,672
Firebrick	48,957	296,437	239,567
Meats, n.o.p., canned	....	....	204,320*
Shoe machinery and parts	2,361	20,775	186,319
Red clover seed	....	526	141,428
Nets, twine, commercial fishing	58,033	189,518	137,017
Drugs and chemicals, n.o.p.	171,313	213,515	136,061
Wood pulp	1,174,733	1,619,962	76,389
Nitrogen fertilizer	70,561	195,400	....

*Largely donations for earthquake relief.

Leading exports to Chile from 1958/60 are given in Table II.

The immediate outlook for sales is promising. Shipments in 1962 of pulp and paper machinery should almost double as a result of the recent sale of over $11 million worth of such equipment. There is a growing market for chemicals, plastics, and other industrial raw materials. The sale of papermakers' felts should increase, and prospects for large sales of telecommunications equipment, grain-handling machinery, trucks and heavy road machinery are good, provided we meet the credit competition that has become a feature of this market.

A number of suppliers of capital equipment have made favourable offers of long-term credit. As a result there is strong competition to supply Chile's capital goods requirements. Practically all government tenders ask for six years and more and state clearly that the amount of credit offered will be a major factor in any decision to purchase.

Most of the credits that have been and are still being negotiated with foreign countries are for certain stated amounts, frequently earmarked in whole or in part for the supply of specific categories of equipment. Offers by private firms can then be made in terms of the negotiated credits. Canadian exporters of capital goods should become as familiar as possible with the new facilities for long-term and medium-term credit that are available to them now for the first time.

To make sales, manufacturers must also obtain representation in Chile. The supplier must have an authorized agent on the spot and one who is registered with the various public entities that are looking for the equipment he produces, if he is to receive the ever increasing calls for tender. Such a representative is vital for keeping in touch with private industry also. ●

Colombia

Pace of business has slowed down slightly in 1961; is expected to quicken again after the elections. Country will need large volume of capital equipment, raw materials, engineering services in next few years; Canada should seek a large share of this business.

J. H. BAILEY, *Commercial Secretary, Bogotá.*

IN the three years before 1961, the economic and financial position of Colombia improved each year. By following a prudent monetary policy and restricting non-essential imports, the country achieved substantial balance-of-payment surpluses that enabled it to reduce its external debt, build up its gold and foreign exchange reserves, and maintain the peso at a reasonably stable rate of exchange.

During 1961 the picture began to change. Although business remained buoyant in most sectors and manufacturing output this year will probably achieve an increase of about 8 per cent as in the past few years, some disturbing factors became apparent. Most of these problems resulted from a lack of confidence in the future political stability of the country. The free rate of the peso, for example, declined steadily from below Ps.7.30 per U.S. dollar at the end of last year to Ps.8.70 per dollar in September, a depreciation of about 20 per cent. The gold and foreign exchange reserves, which stood at $198.2 million in August 1960, declined to $171.3 million by the same date in 1961, in spite of withdrawals from the International Monetary Fund of $75 million for foreign exchange stabilization. Finally, the cost-of-living index continued to go up: from 160.8 in 1960 to 177.8 in June 1961 (1954/55 equals 100). At the time of writing the Government was trying to introduce measures that would keep prices from getting out of hand, because a rapid rise in the cost of living could have serious social repercussions.

Business continued to be handicapped during 1961 by a lack of credit facilities. As the year progressed the Government took steps to prime the pump by making more pesos available to the business community through a reduction in deposit requirements for imports, a change in the requirements for bank assets, and so on. However, the flight of capital and other factors have tended to offset these government moves and the tight credit situation remains one of the most difficult problems facing the business community.

Business Is Optimistic

The outlook for business in 1962 is difficult to forecast. The feeling is that many businessmen will mark time in the early months of the year until the political future of the country becomes clearer. As the Presidential elections take place at the end of the first quarter and Congressional elections follow in the second, there will probably not be the same increase in business

A street scene in central Bogotá, capital of Colombia, and a city of over a million people. Two Canadian trade missions have visited Bogotá in the past 13 months, plus a good number of Canadian businessmen who are following up earlier contacts or making new ones.

activity during the first six months of 1962 as there has been in similar periods in the last few years. If the changeover of Presidents is carried through successfully, the country should then see the beginning of another business boom during the last half of the year. The injection of additional U.S. funds during the year under the *Alliance for Progress* program will be a great help; so will a repatriation of Colombian capital once the election hurdles have been safely passed. All in all, Colombian businessmen on whom we have called recently seem to share a large degree of optimism about business conditions next year.

Loans for Development

As an indication of the faith that international lending organizations have in Colombia's future, and as a rough guide to some of the fields where Canadian exporters and engineers may find new business opportunities during 1962 and succeeding years, a review of the foreign loans already approved or currently being negotiated may be useful. The breakdown of the $119 million in loans approved up to July 1961, for example, is as follows:

- International Bank for Reconstruction and Development (IBRD): a total of $59.5 million to be spent on roads ($1.69 million), railways ($8.1 million), and energy ($49.4 million).

- Inter-American Development Bank (IADB): a total of $14.6 million to be used for the Cartagena waterworks ($6.3 million), Medellín waterworks ($6.3 million), and the Bogotá and Medellín finance corporation for making loans to qualifying industries ($2.0 million).

- Export-Import Bank: loans of $44.9 million for agrarian reform and housing, but these loans will be restricted to U.S. products and services.

Loans under negotiation in July and with a good chance of being granted later this year or early in 1962 are as follows:

- IBRD: loans totalling $162.1 million for the following uses: railway equipment ($85.1 million), highway development ($27.0 million), renovation and expansion of Paz del Rio steel mill ($12.0 million), the Cartagena power project ($4.0 million), the Medellín power project ($22.0 million), and other public works ($12.0 million).

- IADB: a total of $36.4 million to be used for housing programs ($19.3 million) and waterworks and drainage ($17.1 million).

- Development Loan Fund (DLF): $25.0 million for housing, agricultural settlements and waterworks in various parts of the country,

Some people have been concerned about the ability of the country to meet the repayment obligations of all these various loans. Colombia ranks just after Brazil and Mexico in total dollar value of development loans received; on a per capita basis, of course, it outranks all other countries in Latin America. Perhaps some indication of the terms in some of the agreements will interest exporters. The latest loans actually approved, for example, are for $19.5 million by both the IBRD and its sister organization, IDA, for building or repairing 1,275 kilometres of Colombian highways, preparing plans for building another

500 kilometres of roads, and for studying maintenance operations and the type of maintenance equipment required. The IDA credit is for 50 years, free of interest charges (except for a service charge of $\frac{3}{4}$ per cent) and the first repayment is not due until June 1971. The IBRD loan, on the other hand, is for 15 years, with interest rate of 5$\frac{3}{4}$ per cent and repayments to begin in September 1965.

Foreign Trade

At the beginning of the year the Minister of Finance forecast imports at the rate of $34 million a month but the actual average has worked out at $43.1 million for the first five months. Colombia had an unfavourable trade balance during this period of $68.9 million, with imports totalling $215.5 million and exports only $146.6 million. This compares with an unfavourable balance of only $21.4 million during the same period in 1960, when imports reached $200.7 million and exports $179.3 million. (In 1959, the favourable balance was $57.4 million.) It may be some time before the country regains this latter position in spite of putting on a drive to increase and diversify its exports by exempting from taxation income derived from new exports and by other means.

The move to diversify exports is an attempt to avoid too much dependence, as in the past, on coffee as the main commodity for earning foreign exchange. The program seems to be showing signs of success; during the first five months of 1961, coffee sales accounted for only 69 per cent of the total value of exports as against 75 per cent during the same period in 1960. With increasing production of exportable commodities such as cotton, bananas, refined sugar, shrimp, lumber and cement, it is possible that the percentage of the country's foreign exchange gained from the sale of coffee will drop again next year.

Because the feeling is that Canadian export prices are not very different from those quoted by U.S. producers in many lines (in fact, we may have a slight advantage in some fields in view of certain low prices on raw materials and the discount on the Canadian dollar), the table on the left of U.S. and Canadian sales to Colombia has been prepared as a rough guide to Canadian businessmen to areas in which increased sales may be possible.

Although there was a great fanfare earlier this year about increasing the percentage of trade done through barter with "new coffee markets" such as Japan, Britain, etc., (Canada, with the U.S. and other traditional coffee customers, was not permitted to make such arrangements), the Colombian authorities now seem to have dropped this emphasis on barter. Similarly, although Colombia has taken all the necessary steps to become a full-fledged member of the Latin American Free Trade Association, it is felt that it will be some years before this move will cause any noticeable changes in the pattern of its import and export trade.

During the first five months of 1961, Colombian imports from Canada rose 36 per cent (up to $8.2 million from $6.0 million during the same period of 1960). It is expected this rate will improve still further during the remainder of the year, as a result of the new contacts established following the Export Trade Promotion Conference in Ottawa, the visits of two Canadian Trade Missions during the past twelve months, and the drive put on by established Canadian exporters to increase their share of this growing market.

COLOMBIAN IMPORTS 1959

(values in U.S.$'000)

	Total Colombian Imports	Share of Colombian Market United States Value	%	Canada Value	%
Grain (mainly wheat)	9,358	7,254	78	2,100	22
Flour and other milled products	8,176	7,579	93	471	6
Oilseeds	9,492	7,998	84	4	....
Animal oils and greases	8,721	8,270	95	15	....
Mineral products	3,433	1,148	33	1,561	46
Coal and other combustibles	11,947	8,305	70	....	....
Chemicals and pharmaceuticals	46,671	26,584	57	1,796	4
Tanning and colouring agents, etc.	6,637	2,943	44	77	1
Fertilizers	7,139	2,259	32	1,861	26
Rubber and rubber products	8,387	5,708	68	200	2
Paper (mainly newsprint)	16,604	7,724	47	2,638	16
Pulp	4,867	3,653	75	608	13
Artificial fibres	4,036	2,034	51	117	3
Iron and steel	40,832	20,121	49	606	1
Copper	3,867	1,635	42	192	5
Nickel	723	95	13	26	4
Aluminum	3,318	2,267	68	60	2
Machinery, instruments and parts	73,422	49,088	67	1,071	1
Electrical equipment	29,887	12,960	44	75	...
Automotive vehicles	45,963	38,603	84	78	....
Aircraft and parts	7,127	4,912	69	67	1
Precision and measuring instruments	4,648	2,218	48	470	10
Miscellaneous	60,333	15,235	25	464	1
Total	**415,588**	**248,593**	**60**	**14,557**	**4**

Bolivia and Uruguay

THE Assistant Commercial Secretary in Peru is visiting Bolivia late this month and will prepare a report on business conditions there for publication in *Foreign Trade* in the near future. A report on the improvement in business conditions in Uruguay was published in our July 29, 1961, issue.

Ecuador

New controls brought in to increase exchange holdings; foreign exchange rate fixed for imports and exports; loans obtained for development projects; business climate optimistic and progressive.

ROGER A. BULL, *Assistant Commercial Secretary, Bogotá.*

THE past year brought economic and financial difficulties to Ecuador after a decade of stable prices (increasing by only 2 per cent a year), rising gross national product, (nearly 5 per cent a year), and steady development. The net gold and foreign exchange reserves of the Banco Central del Ecuador on June 30, 1961, stood at 160 million sucres (less than U.S.$10 million at the free exchange rate) compared with 513 million (U.S.$30 million) a year ago. Foreign exchange transactions resulted in a deficit of $19.1 million on the balance of payments in the first half of 1961. The free market rate for the sucre, which has varied between 16 and 18.5 sucres to the U.S. dollar for ten years, fell from 18.70 in May to nearly 22 in September.

Exchange Reform

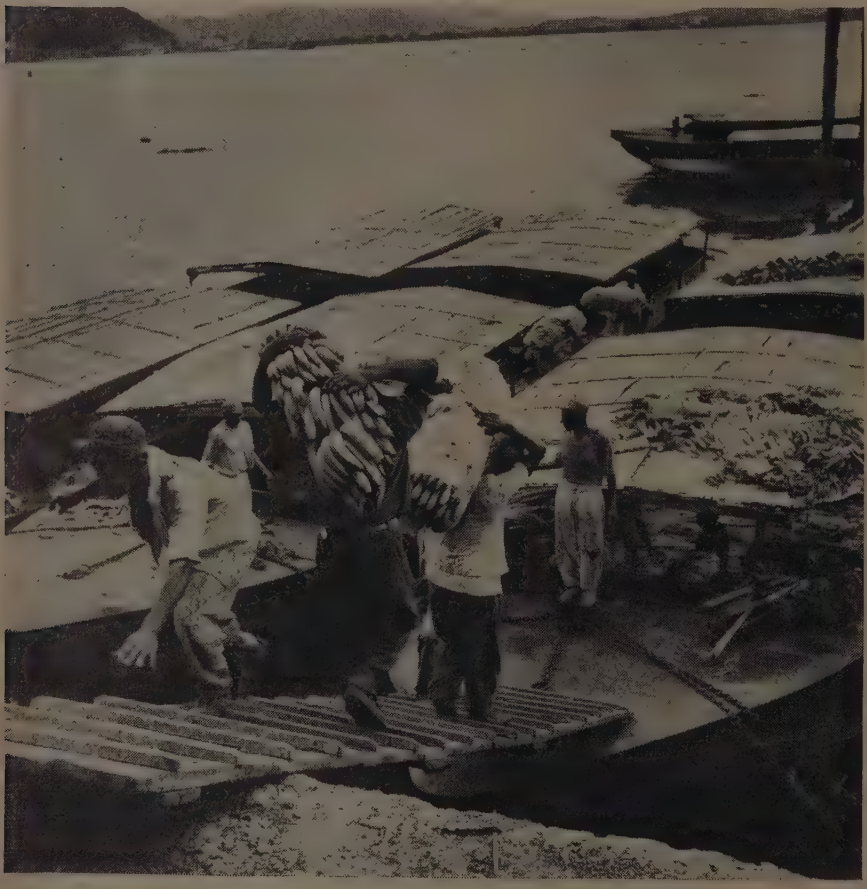
The Government attributes the foreign exchange problem to the gradual fall in prices for Ecuadorian agricultural exports and the increased cost of imports. On July 14, after consultations with the International Monetary Fund, it established a new single exchange rate of 18 sucres to the U.S. dollar for all imports and exports. This replaced the multiple rates in effect since 1947. However, the aim of multiple exchange rates—to encourage those imports and exports considered desirable—has not been abandoned; it is entrusted now to the import and export licensing arrangements and tariffs.

The foreign exchange reform has not proved popular but it is only part of a series of financial reforms that included tax increases on beer, soft drinks and cigarettes, on imports in general (on some, in particular automobiles, 20 per cent), on unearned incomes and inheritances, and an increase from four to six sucres on the National Public Works stamp required on all contracts and other documents. Businessmen and labour leaders are both opposing the new taxes.

Nevertheless, the Ecuadorian economy remains sound and well organized. Provided an atmosphere of crisis and uncertainty does not develop, Ecuador should come out of the current situation stronger than ever.

Development and Investment

One cause of the Ecuadorian payments crisis and a problem in itself is that of financing development from a small capital base. International capital assistance is essential. Since last December, Ecuador



—IBRD Photo.

A time-consuming method of loading ocean ships which is being eliminated by the construction of new docks at Guayaquil. The bananas are going onto lighters and will have to be transferred to ships anchored thirty miles down river.

has drawn a standby loan of $10 million from the International Monetary Fund to support the exchange reserves; Development Loan Fund loans of $1.8 million for surveys and $5 million for low-cost housing; Inter-American Development Bank loans of $2.4 million for African palm research and development, and $2.3 million for the import of pedigreed sheep.

A list of Ecuador's proposed projects under the *Alliance for Progress* was published by the Government in July. It included U.S.$36 million for highways, $25.5 million for power stations, $25 million to promote private industry, $20 million to begin land reform, $12 million for irrigation, $2 million for building schools, $4 million for drinking water supplies, and $70.7 million for other projects—a total of over U.S.$200 million.

Projects already under construction or being tendered for include a tire factory to make 40,000 tires and tubes a year; a cement factory costing $4.2 million (to be the largest in Ecuador); port improvements at Esmeraldas costing over $3 million; a bridge over a mile long across the Guayas River above Guayaquil, and a $1.3 million reorganization of the telephone system outside the main cities, involving the construction of 17 telephone exchanges and five telecommunications circuits between cities. The latter will use large quantities of Canadian equipment supplied by a Canadian company. The major industries of Ecuador, based on preliminary figures of the 1958 census of value of production, are as follows: food products U.S.$53 million, textiles $18.5 million, beverages $15 million, petroleum products $8 million, chemicals and products $7 million, non-metallic minerals $5.5 million.

Foreign Trade

Ecuador's business community has long been accustomed to stability. Foreign trade averages between U.S.$90 and $100 million a year each way and reflects clearly in its ups and downs the movement of world prices for Ecuador's staple exports—bananas, coffee and cocoa. In 1960 (as in every year except one since 1950) the balance of trade was favourable—exports $104.7 million, imports $102.2 million, favourable balance $2.5 million.

The first six months of 1961 brought an unfavourable balance of $13 million and imports and exports were down by over a million dollars each. But the usual heavy exports of the second half of the year, when over 90 per cent of the coffee and rice crops are shipped, will probably correct this situation.

Preliminary total for the 1960/61 coffee crop is 498,000 bags of 60 kilograms each, or about 30,000 tons. The Ecuadorian export quota of 455,000 bags under the International Coffee Agreement will be fully taken up.

ECUADOR'S EXPORTS

	1959	1960
	(U.S.$'000,000)	
Bananas	44.3	46.3
Coffee	17.6	22.4
Cocoa	21.8	21.6
Rice	2.3	2.8
Balsa wood	1.5	1.4
Panama hats	.9	1.0
Pharmaceutical materials	.9	1.0

PRINCIPAL IMPORTS INTO ECUADOR, 1960*

	(in U.S.$'000)
Wheat	4,202
Tallow	1,275
Lubricants	1,352
Antibiotics	1,410
Other medicines	2,699
Tires (not tubes)	3,591
Newsprint	1,400
Kraft paper	1,024
Yarns of artificial silk and synthetic fibres	1,868
Iron and steel sheets	1,800
Iron and steel bars and sections	2,064
Milling machinery	878
Telephone equipment	2,649
Roadbuilding and construction machinery	1,531
Tractors	891
Trucks, etc., under 3 tons	1,077
Trucks, over 3 tons	1,302
Chassis for trucks over 3 tons	3,227
Automobiles	2,374
Spares for tractors and other vehicles	3,227
Aircraft and parts	865
Cigarettes	1,975

*Provisional figures based on import licences and may exceed by 2-3 per cent the final figures issued by Banco Central del Ecuador.

CANADIAN IMPORTS FROM ECUADOR

	1959	1960
	(Can.$'000)	
Bananas	7,145.5	10,405.1
Cocoa beans not roasted	200.7	317.3
Coffee, green	237.1	281.8
Hoods and shapes, knitted	2.9	5.1
Shrimps, prawns, fresh or frozen	5.3	4.1
Teak, amaranth, tropical woods	20.5	2.7
Others	10.5	2.0
Total	**7,622.5**	**11,018.1**

CANADIAN EXPORTS TO ECUADOR

	1959	1960
	(Can.$'000)	
Wheat, except seed, n.o.p.	2,346.4	2,346.1
Newsprint	515.1	399.5
Cereal foods, prepared	121.3	188.3
Pneumatic tires for trucks, buses	166.3	166.4
Bond and writing paper, uncut	88.4	142.0
Tallow, inedible	....	64.9
Asbestos milled fibres groups 4, 5	....	53.5
Bookkeeping, calculating machines and parts	35.8	32.5
Pneumatic tires for passenger autos	25.3	29.3
Nets, twine, commercial fishing	22.1	25.5
Mining machinery and parts	14.6	23.4
Medicinal preparations	19.2	23.2
Aluminum, semi fabricated	22.6	22.8
Copper wire, insulated	29.8	22.3
Asbestos brake lining facings	21.3	22.2
Others	436.1	351.0
Total	**3,864.3**	**3,912.9**

Import Controls

Imports have been divided into three lists: List I, essential imports, List II permissible imports, and a Prohibited List that includes all products not in the other two lists. Products may be moved from one list to another to meet the changing

needs of the Ecuadorian economy, but when goods are moved from List I to List II, sales arranged before the shift may be completed on the original terms.

All permissible imports are subject to both import licensing and prior deposit requirements. As of August 18, these prior deposits range from 25 per cent for List I imports to 50 per cent or 100 per cent for List II imports. In addition, List I imports are now subject to supplementary ad valorem taxes of 7.25 per cent of the c.i.f. value and List II to similar taxes of 17.25 per cent of the c.i.f. value.

On May 22, foreign exchange for List II imports was pegged at a selling rate of 18.20 sucres to the U.S. dollar although List I imports continued to be paid for at 15.15 sucres. On July 14 the new rate of 18 sucres to the U.S. dollar was established. All exports and imports are subject to this rate but provision has been made for importers of some especially essential List I items and for importers who did not use their List I import licences before July 14 to be reimbursed by reduction in import duties and taxes for their losses on the 20 per cent change in the rate of exchange. The new rate, by favouring exporters, should not only reduce foreign exchange expenditures on imports but, by cutting contraband exports, increase the Central Bank's exchange reserves and perhaps reduce the f.o.b. cost of Ecuadorian exports.

A small group of "marginal" products have been exempted from the 5 per cent export tax added in July and the foreign exchange they earn may be converted (August 8) into sucres at the free market rate (which stood at over 21 sucres to the dollar in early September). Marginal exports total about U.S.$20 million a year and include straw Panama hats, shrimps, castor oil, pharmaceuticals and balsa wood.

Eighty per cent of all goods actually imported into Ecuador are on List I. In the table of principal imports on page 19, only cigarettes and most iron and steel products are found on List II.

Trade with Canada

Trade with Canada is heavily in Ecuador's favour; we spend over twice as much on bananas alone as Ecuador spends on all Canadian imports. In 1960 exports to Ecuador totalled Can.$3.9 million; imports reached Can.$11 million—according to Canadian figures.

To the end of May 1961, Canadian imports from Ecuador totalled $3.7 million, indicating a better than $10 million total for the year. Canadian exports to Ecuador are varied and include whisky, apples, purebred cattle, tissue paper, ploughs and harrows, automobiles, asbestos, toys, and rifle ammunition. The principal items are given in the table on page 19. We sold $2.1 million worth of goods to Ecuador in the first five months of 1961, a jump from the $1.5 million for the same period of 1960.

The effect on Canadian exports of the new exchange rate and revised import controls should be small. For the group of List II imports now subject to 100 per cent prior deposits, the present 180-day terms should soon disappear in favour of payment at sight, since the importer, having paid in full when he obtained his licence, will look for discounts on sight payments. But imports subject to lower prior deposits will continue to require 180-day terms for at least the remainder of their costs.

Ecuadorian businessmen are optimistic about the future. Canadian exporters who match their competitors in price and quality can look to this optimism as a sign of increased sales to this country as it continues to develop. ●

Paraguay

Poor crops and increased competition abroad affected Paraguay's economy in 1960; import surcharges on many goods were increased. Canada's small sales to this market went up slightly last year.

J. G. IRELAND, *Assistant Commercial Secretary, Buenos Aires.*

LAST year was a difficult one for Paraguay. Imports exceeded exports for the first time in seven years (imports were up 15 per cent and exports down 13.5 per cent compared with 1959) and the trade deficit of U.S.$5.48 million was large in relation to the size of the market. Gold and convertible currency reserves fell from U.S.$2.9 million at the beginning of 1960 to $467,000 by the end of the year and rumours of a devaluation were rife. However, provisional trade figures for the first six months of 1961 show a marked improvement; there was a favourable trade balance of over U.S.$300,000 at the end of June and gold and convertible foreign exchange reserves had risen to U.S.$2.1 million. The exchange rate, which stood at 120.5 guaranies to the U.S. dollar at the beginning of 1960 and depreciated to 123.6 guaranies by the end of the year, has held steady at that level up to the time of writing.

PARAGUAYAN EXPORTS AND IMPORTS

	1958	1959	1960	1961 (Jan.-June)*
		(U.S.$'000,000)		
Exports, f.o.b.	34.10	31.20	26.98	14.01
Imports, f.o.b.	32.59	26.19	32.46	13.69
Balance	+ 1.51	+ 5.00	− 5.48	+ 0.32

*Provisional.

ANADIAN EXPORTS TO PARAGUAY

	1959	1960
	(in Can. dollars)	
otal	113,824	120,257
f which:		
'hole milk powder	....	30,175
eats, canned, n.o.p.	....	24,000
ars over $1,000	14,642	14,807
uck and bus tires	....	13,964
utomobile tires	1,994	8,282
im milk powder	48,505	....
hreshers or combines	10,372	....
ookkeeping, calculating machines	14,729	5,712

CANADIAN IMPORTS FROM PARAGUAY

	1959	1960
	(in Can. dollars)	
otal	745,996	759,782
which:		
anned corned beef	352,477	499,117
inawood oil (inedible)	171,835	130,782
uebracho extract	221,657	83,101
eat extracts, fluid beef	....	34,006
reen coffee	....	12,776

Paraguayan exports consist ainly of a small number of agri-ultural and forestry products. mong them are meat products 6.5 per cent of total imports in 960), lumber (18.6 per cent), uebracho extract (10.9), yerba-naté (9.2), cattle hides (8.2), bacco (5.9), and oilseeds (5.7). nports during 1960 by commodity oups included foods, beverages d tobacco (19.2 per cent of tal), transport equipment (18.7), achinery and apparatus (16.8), els and lubricants (10.6), metals d manufactures (9.8), textiles d manufactures (7.6), and chem-als and related products (4.2). xports last year went principally Argentina (28.4 per cent), nited States (26.8), Britain 0.6), and the Netherlands (8.2). Imports originated mainly in the United States (23.5 per cent), Argentina (23.0), Germany (11.4), Spain (7.6), Netherlands Antilles (7.5), and Britain (7.0). In most years Canada has an unfavourable trade balance with Paraguay (see tables).

Difficulties Encountered

Poor crops and increasing foreign competition caused a drop in Paraguayan exports in 1960. Poor crops brought a cattle shortage that cut meat exports, and cotton exports fell to an all-time low. Exports of quebracho declined because of higher costs and growing competition from other producers, particularly Argentina, and the Government has now removed the export tax on this commodity. Lumber exports improved a little but are encountering stiffening competition in some markets, particularly from Paraná pine from Brazil. A drought affected the cotton crop seriously and there was practically no exportable surplus. Unseasonable frosts ruined many banana plantations in June and seriously damaged stands of sugar cane. Agricultural conditions improved late in the year, however, and crop prospects for 1961 are much brighter.

There was little if any expansion in industry during the year. All work by foreign companies on oil exploration ceased and the local textile industry suffered from greater competition from imports. Some quebracho extract mills were forced to close down for varying periods because of excessive stockpiles. The Government offer to purchase the British-owned Central Paraguay Railroad was accepted, although details have still to be worked out.

Surcharges Raised

Dollars can be purchased freely in Paraguay but most imports are regulated by a system of prior deposits and import surcharges. During 1960 and early 1961, surcharges were raised to 20 per cent of the c.i.f. value on many goods entering from certain neighbouring countries, and to 24 per cent for imports from other countries (petroleum fuels excluded). To offset these increases, there will be certain reductions in prior deposits but details are not yet available.

Outlook

On June 2, 1961, the Latin American Free Trade Association (LAFTA) came into being between Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru and Uruguay. Of these, Paraguay and Uruguay have the lowest per capita income, about U.S.$100. This compares with the highest—in Chile—of U.S.$500 and an average for Latin America of U.S.$300. Paraguay's foreign trade is strongly oriented toward the United States, Argentina, Britain and certain other European countries; it is difficult to predict how Paraguayan exports will be affected by the new LAFTA program. It seems logical to assume, however, that its future imports from LAFTA trading partners will have considerable bearing on the rapidity of industrialization of its more advanced partners, particularly Argentina, Brazil, and Mexico. ●

The Canadian Trade Commissioner in Buenos Aires, Argentina, has recently assumed responsibility for matters pertaining to Canadian trade with Uruguay and Paraguay. Inquiries from Canadian businessmen should now be directed to:

Commercial Counsellor
Canadian Embassy
Bartolome Mitre 478
Buenos Aires, Argentina.

Peru

Peru's foreign exchange holdings rose to over $60 million last year; credits were received for large development projects. Canadian sales are keeping up to average but not gaining ground proportionately in this growing market.

WILLIAM J. JENKINS, *Assistant Commercial Secretary, Lima.*

PERUVIAN businessmen regard last year as a comparatively good one and, with reservations, they are optimistic about the future. Monetary stability continues. The Central Bank's holdings of gold and foreign exchange rose to over $62 million in mid-1961. The balance of payments showed a surplus during 1960 and again during the first half of 1961. A favourable business climate has encouraged investors and 940 new enterprises with a total capitalization of about $39 million were registered during 1960.

Foreign Trade

Peruvian exports in 1960 reached $433 million in value, 38 per cent greater than in 1959. Growth continues and during the first half of this year, exports increased a further 16 per cent over the same period of 1960. As the accompanying table shows, foreign exchange earnings do not depend upon a single commodity. Ten products in three distinct fields—agriculture, mining, and fisheries—are of major importance. This versatility makes Peru less vulnerable to changes in international commodity prices and deepens the roots of her economic stability.

Imports have increased even more rapidly and during the first half of this year Peru bought more abroad than she sold. Last year imports totalled $375 million, considerabl higher than the $294 million c 1959. Growth in imports during th past 10 years has roughly paralleled the annual increase of about 5 pe cent in the gross national produc The United States share of th Peruvian market is gradually de creasing but it is not likely to los its predominant position. Forty-fou per cent by value of Peru's import in 1960 came from the U.S. whereas Germany, the second sup plier, accounted for only 11 pe cent.

To Sell in Peru . . .

- Quote prices in your initial letter to a prospective importer.
- Explain what products you have for sale; don't ask the importer what he wishes to buy.
- Correspond in Spanish if at all possible, even if this involves the use of a translation service.
- Quote prices c.i.f. Peruvian port.
- Quote in U.S. dollars.
- Offer terms of at least cash against documents.
- Trust your Peruvian representative. If you do not have one, your Trade Commissioner can help you find one.
- Visit the market and stay long enough to establish the necessary personal contacts. A flying visit may help the Peruvian tourist industry but will not help your business.

PERU'S PRINCIPAL EXPORTS

	1958	1959	196
	(U.S.$ million)		
Copper	22.2	24.9	94.
Cotton	75.6	69.6	73.
Fish products (primarily fishmeal)	20.7	45.4	52.
Sugar	34.4	36.3	47.
Iron	16.5	19.4	32.
Silver	19.0	20.4	24.
Lead	24.5	21.2	21.
Coffee	15.8	15.6	18.
Petroleum	16.6	16.1	17.
Zinc	11.3	14.2	16.

MAJOR PERUVIAN IMPORTS, 1960

	(in per cen
Machinery and appliances	25
Foodstuffs	16
Vehicles and transport equipment	13
Chemicals and pharmaceuticals	11
Metals and manufactures	11
Textiles and manufactures	6
Fuels and lubricants	5
Wood pulp, paper, cork and manufactures	4
Other commodities	9

Canadian Sales Down

Canadian sales to Peru during th past five years have averaged abou $10.5 million a year and the 196 total should be up to the average But because purchases from Canad are not increasing, we are in realit losing ground. In 1955, 2.2 per cen of Peru's imports came from Can ada, in 1957 the figure was 3 pe cent, in 1959, 4 per cent. Last yea we slipped back to 2.4 per cent. A few years ago Canada was Peru' fourth supplier, following the U.S. Germany, and Britain. We are now

eventh, because Argentina, the Netherlands and Japan have moved head of us.

Trend Toward Protection

The promise of tariff protection is one of the incentives the Peruvian Government offers to attract foreign and domestic capital into local manufacturing. An Industrial Promotion Law, designed to stimulate a heavier flow of investment capital into basic manufacturing, was promulgated by the Peruvian Government at the end of 1960. In addition to promising new industries "adequate tariff protection", the law provides import duty concessions on new machinery, equipment and industrial raw materials, and tax exemption for from three to 15 years. The Government has already received requests for import duty increases on about 45 items, including nylon twine and rope, powdered milk, car batteries, plastic fishing boats, barbed wire, paints, pigments and varnishes.

Local importers and manufacturers who need these materials may protest these applications for tariff protection and the Government may not approve some or most of them. However, the existence of the Industrial Promotion Law and the treatment of petitions received indicate Peru's future tariff policy.

Manufacturing Is Growing

The manufacturing industry's production has increased from $143 million in 1950 to $341 million in 1960 and it is second only to agriculture in importance. Its output is about 20 per cent greater than the total for the mining and petroleum industries and is growing at a slightly faster rate than the economy as a whole. This trend will probably continue. The value of manufacturing output in 1960 was 18 per cent of gross national product, compared with 15 per cent in 1950. One in five of the gainfully employed in Peru works for a manufacturer.

Textiles, petroleum byproducts and basic household items, such as soap, beer, footwear and clothing, are the principal commodities produced. Several new companies have started manufacturing this year and among the products they are turning out are building panels, lead arsenate, office equipment, pharmaceuticals, electrical machinery and apparatus, industrial gases, kerosene stoves, paints, refrigerators, automobile parts, and steel grinding balls.

Development Credits

Peru, with an external public debt of more than $200 million, has received and is receiving credits from the World Bank, the United States, Italy, France, Germany, Japan, and Britain. The first credit of the Inter-American Development Bank, for $3.9 million, was granted to Peru to expand the water and sewerage services of its second largest city, Arequipa. The World Bank has granted several credits for irrigation, hydroelectric projects, port expansion, roads, and industrial plants. In September the Development Loan Fund signed a $10.8 million loan agreement with the Peruvian Government. This credit will be used to develop unsettled land and to construct access roads; it is part of a $53.2 million credit that the DLF and the Eximbank approved for Peru in July 1961.

A Japanese company is undertaking a railway development project in southern Peru at a cost of about $20 million, payable over ten years. An Italian company is building a 20,000 kw. hydroelectric plant near the Inca ruins of Machu Picchu. A French consortium has contracted to complete 24 electrification projects throughout northern Peru (cost, about $7 million); in May, a German consortium won a contract to design, construct and equip 12 hospitals ($10 million). Another French consortium will carry out 104 small sanitation projects throughout northern Peru ($7 million). All these projects were turnkey offers that included credit facilities.

There is a strong possibility that the Peruvian Government will sign a turnkey contract, including financing, with a British-German consortium that will begin immediate hydroelectric development of the Mantaro River. In May the United Nations Special Fund approved a grant of over $1 million for studies of the hydroelectric potential of the Mantaro, and a natural resources survey of central Peru. If the turnkey contract goes through, the Montaro portion of the UN grant will probably be cancelled but the natural resources survey may still be made.

A workman examines the product of a tire factory. Manufacturing has become second only to agriculture in economic importance in Peru, contributing 18 per cent of gross national product in 1960.

Cultivating This Market

Peru is first a price market and second a terms market; quality is of less consequence. Exporters who want to develop or expand their market here should consider these factors. How do Canadians increase

their sales? One obvious and effective way is to reduce prices. If this cannot be done through increased efficiency, it can be done by lowering quality. Manufacturers naturally hesitate to do this because of the fine reputation for quality that Canadian goods have won. However, in the less developed countries of the world, including Peru, customers cannot always afford to buy quality goods. This is not a recommendation to reduce quality for all types of commodities but only for those destined for the mass of consumers, and this includes the raw materials Peruvian manufacturers will use to produce cheap consumer goods. An example is synthetic resins for a Peruvian manufacturer of cheap plastic glasses and dishes.

Another way to reduce prices is to simplify our manufactured goods. Machinery and some consumer products for Peru need not be as refined as those destined for Europe or the United States, where labour costs are higher. Canadian manufacturers seriously interested in export should tailor part of their production to suit this area of potential markets.

The letter of credit has practically ceased to be used in financing Peruvian imports, and Canadian companies that continue to demand it greatly reduce their chances of doing business. Most Peruvian trade is done on the basis of cash against documents, or on a credit of from 30 to 120 days upon receipt of documents. Even when making an original offer, Canadian exporters should offer at least cash against documents. •

Venezuela

Recession continues, but foreign aid expected to bolster economy. Petroleum production running ahead of 1960, iron ore exports down. Canadian sales dropped as Venezuela's imports declined, but prospects for 1962 better, though pattern of trade is changing.

W. D. WALLACE, *Commercial Counsellor, Caracas.*

THE general economic recession that Venezuela has been experiencing over the past two years continues and no over-all improvement seems likely before early 1962. The excess of expenditure over income, balance-of-payment difficulties, and depleted foreign exchange reserves have all added to the serious economic situation. Foreign investment is at a low level and to some extent reflects the small reinvestment by the international oil companies, particularly in exploration work. Unemployment is a big factor and the construction industry—at one time the major source of employment—continues to face difficult times. Development of new industry has gone on steadily, petroleum production is above 1960 levels, but iron ore output has been cut back. Foreign exchange income remains substantially high, and the Government has taken measures to improve local conditions through foreign exchange control regulations, higher taxes, an austerity budget, and local and foreign loans. Further assistance is expected when some of the projects under the *Alliance for Progress* program are implemented.

The Government is changing its fiscal year to coincide with the calendar year and has introduced a transitional budget for July-December 1961. This places expenditures at Bs.2,923 million and income at Bs2,370 million, leaving a deficit of Bs.553 million. Increased taxation and a reduction in salaries of government employees may cut the deficit to Bs.350 million. Gold and foreign exchange receipts at the end of June totalled Bs.1,510 million compared with Bs.1,758 million on December 30, 1960, and Bs.1,419 on June 30, 1960. Bank deposits, at Bs.4,034 million, declined by Bs.34 million from a year ago; bank loans and investments gained by Bs.56 million to Bs.4,392 million. Foreign exchange receipts of the Central Bank for the first half of 1961 totalled $748.4 million and sales $718.9 million, leaving a surplus of $29.5 million.

Financial Aid

In an effort to bolster the economy, the Government has been endeavouring to arrange for long-term financing from international agencies. Loans approved or being negotiated for social welfare and public works projects are as follows:

- *Export-Import Bank*—A $100 million loan has been approved for the purchase of equipment for projects being assisted by the Venezuelan Development Corporation and the National Agrarian Institute.

- *Inter-American Development Bank*—A series of loans are under negotiation which include $7 million for the Venezuelan Development Corporation, $22 million for waterworks projects under the National Institute of Sanitary Works, $5 million for the Agriculture and Livestock Bank, two loans of $12 million and $16.4 million for rural and urban housing under the Banco Obrero, and a $20 million loan for the National Agrarian Institute.

- *World Bank*—A loan of $60 million for highway programs has been

pproved, and a second loan of $45 › $60 million for irrigation and lectric-power projects is under egotiation.

Development Loan Fund—A $10 illion loan has been approved to nance housing developments for e middle class.

Bank of Paris and the Low Coun-ies—A loan of $20 million has een approved for purchasing rench machinery.

West Germany—Financial assis-nce of $24 million is under con-deration.

In addition, the Government has quested local aid from the oil dustry to help the construction dustry. The President recently nnounced that Bs.250 million ould be made available for public orks projects. Private companies ndertaking new construction work e to be granted certain incentives, ch as exemption from municipal d income tax for five years and om inheritance taxes for 15 years. e oil companies have agreed to ke up one loan of Bs.50 million seven-year, 6 per cent tax-free nds for construction work in aracas, and a second loan of .125 million in ten-year, 5¾ per nt tax-free bonds to finance urban ousing mortgages. An Export-Im-rt Bank loan is to provide the mainder.

reign Exchange Control

The introduction of foreign ex-ange control in November 1960, llowed by a number of revisions the current year, has succeeded slowing down the flight of capital d reducing imports, as well as inging a change in the trend of yment terms. The country now s four rates of exchange for the livar: the oil companies receive .3.09 for their dollars from the ntral Bank; the official rate is .3.35 for the import of items on "List of Imports of the Con-lled Market", including raw aterials, basic foodstuffs, pharmaceuticals, and equipment for industry and agriculture; the "controlled free" rate is Bs.4.58, fixed by the Central Bank, for imports of non-essential products, remittances, travel, etc.; the true free market rate, recently fluctuating around Bs.4.58 to Bs.4.60, is used for all other transactions. The latter is negotiated on the Caracas Stock Exchange and neither the Central Bank nor the commercial banks deal in this market.

During the past few months the administration of the foreign exchange control system has improved and delays in remitting have been cut down considerably. More time can be saved if the customer is prompt in applying for foreign exchange, depositing the bolivar equivalent, and producing the necessary documents. This often requires a careful selection of customers before granting credit terms.

The introduction of foreign exchange control, plus the fact that importers wish to avoid losses that may arise from sudden changes in the valuation of the currency, has brought a change in payment terms. Shipping on open account has virtually ceased. The use of the letter of credit has increased, particularly by importers who sell locally on credit terms. Some banks, however, place limits on the number and value of the letters of credit they will accommodate. There has been a substantial increase in the use of 30-, 60- and 90-day term drafts, and a tendency to make less use of 120- and 180-day drafts.

Industrial Development

With government financial aid and various forms of protection, industrial development in Venezuela has gone steadily forward. The Ministry of Development, through its Venezuelan Development Corporation, expects to give some Bs.4 billion of assistance to new industry over a period of four years, with a view to displacing many imports. In the current year, and with assistance from the Export-Import Bank, the corporation will make loans of over Bs.50 million, of which Bs.22 million has been allocated.

Further protection to local industry in 1961 included the addition of the following commodities to the list of goods requiring import licences: fresh eggs, soups, textile machinery, paper handkerchiefs, sanitary equipment, lumber, prefabricated buildings, and aluminum extrusions.

The Guayana Development Corporation was formed in late 1960 by the Government to administer the development of the Guayana area in Eastern Venezuela. The corporation will operate the government steel plant at Matanzas. This plant is now producing some steel products, but will be completed in 18 months and operating at full capacity (600,000 tons of steel products) in four years' time. The hydroelectric plant at Macagua on the Caroni River will come under the corporation's jurisdiction, and its present capacity of 200,000 kw. will be increased to 400,000. In addition, the corporation expects that building of the Guri dam and power plant will begin in 1963. In partnership with Reynolds International, the Aluminio del Caroni S.A. has been formed to build a 25,000-ton aluminum ingot plant in the Guayana region. Building of this plant is to start early in 1962.

In the private investment sector, the Creole Petroleum Corporation has formed the Creole Investment Corporation which, in association with other interests, will make investments in local industry and agriculture that are not related to the petroleum industry. A fund of $10 million has been set up for this purpose and the company is now processing applications for assistance. A number of firms in the textile, paper, and food industries have been enlarging their present plants and several new factories have been built for the production of paper products, textiles, pharmaceuticals, milk processing, automobile parts, carbon black, cement products, dry cell batteries, and

A research worker candles eggs in an experimental laboratory of the Venezuelan Ministry of Agriculture and Livestock. Domestic egg production has risen rapidly in the last year.

wire and cable. The Ford Motor Company, the Rootes Motors Limited, and Fiat Motors have announced plans to build assembly plants. Reynolds Metals is building an aluminum rolling mill as an addition to its extrusion plant at Maracaibo; it will come into production by the end of this year.

Petroleum Industry

The past year has seen little change in Venezuela's petroleum industry, which contributes close to two-thirds of the country's income. Although production is running ahead of 1960, the country has been surpassed by the U.S.S.R. as the world's second largest producer. The Government decided to refrain from enforcing the dividend tax of up to 6 per cent on oil companies that was approved under the Law of Urgent Economic Measures, effective June 29, 1961. The oil companies continue to be plagued by world surpluses, declining prices, and high operating costs. Little is being done in the way of new exploration work and the Government continues to follow its policy of granting no new concessions. The National Petroleum Corporation, established in 1960, started drilling operations this year and has completed two producing wells. It plans to engage in the marketing and distribution of petroleum and products, but has not yet negotiated any sales contracts.

Petroleum production for January-September 1961 averaged 2.9 million barrels a day, an increase of 1.32 per cent over the 1960 corresponding average, but below the Government's aim of a 4 per cent annual increase. Some 272 wells have been drilled to date and another 26 wells are in the process. The total for 1961 will in all probability be less than the 456 wells completed in 1960.

Higher operating costs are reflected in a decline in profits for the oil companies to Bs.1,256 million in 1960 from Bs.1,344 million in 1959. Government income from royalties and taxes totalled Bs.2,613 million as against Bs.2,704 million in the previous year, and investment in the industry declined to Bs.697 million from Bs.1,224 million in 1959. The results for 1961 are expected to include small gains in profits and government income, but a further drop in investment.

Iron Ore

The production and export of iron ore in Venezuela has now reversed the upward trend of the first six months of 1961, reflecting the depressed conditions in the steel industry in the United States. Output for 1960 reached a record high of 19 million tons, but in the first half of 1961 amounted to 7.5 million, a decrease of 24 per cent from the corresponding 1960 total of 9.9 million. Exports for the six mon reached 7.9 million tons as agai 10.3 million in the first half 1960. It is expected that for t whole of 1961 production will 20 to 25 per cent below the 19 level. Income to the Governme from the iron ore industry for t first half of this year totalled Bs.2 million, an increase of 155 per ce over the like period of 1960, mair because of the payment of taxes f the years 1953 to 1959 by one the iron companies.

Agricultural Situation

The Agrarian Reform Progra inaugurated in 1959 continues to the main force in the agricultu industry. Some 35,000 peasa families have been resettled on ne lands and additional credits f farm equipment, seed, livesto and dwellings have been extended the small farmers. The program h succeeded in raising crop produ tion, but the increasing populatio creates additional demands th have to be met through import Although drought earlier in the ye hampered plantings, a substanti harvest is expected. The chief expo crops—coffee, cocoa, sesame, ar copra—have declined, but oth major field crops of rice, corn, bla beans, and vegetables are reporte as satisfactory. Production of mi and eggs has gained substantial and output will be well above th 1960 production of 9,437 metr tons of milk and 4,730 metric to of eggs. Nevertheless, the countr is not self-sufficient in foodstuf and will continue to import amp supplies of wheat, specialty flour meat, fruits and seed potatoes Further reductions in imports c processed milk, eggs, poultry mea and certain other meats, all subje to import licence control, are boun to follow as local production meet the domestic demand.

Trade with Canada

The business recession in Vene zuela, together with foreign ex change control regulations an further import restrictions, hav

ffected foreign trade adversely; owever, the favourable balance as maintained. Table I shows that he increase in the value of exports as accompanied by a decline of 5 per cent in imports. Although o 1961 statistics are available, it reported that this trend is continuing during the present year. Imports from all the major suppliers eclined, but it is interesting to note hat though shipments from Canada ere down, we remained in fifth lace among the leading suppliers nd accounted for 3.6 per cent of he total value of imports, compared with 3.1 per cent in 1959. he United States was in first place ith 52 per cent (53 per cent), ollowed by West Germany with .8 (9.3), Italy with 6.2 (5.4), and ritain 6 (7.1).

Canada's trade with Venezuela or 1960 declined sharply. As shown Table II, our exports were down 3 per cent from those of 1959 and nports 4.5 per cent. During the rst five months of 1961, shipments om Canada, at $14.3 million, are own 8.8 per cent from the corresponding period of 1960. Most of his decrease took place in the nonth of May, as exports for the rst four months of the year were qual to those in the same period f 1960. Imports for four months, t $60.9 million, are down 2.9 per ent.

TABLE I

VENEZUELA'S FOREIGN TRADE

	Exports	Imports
	(Bs.'000)	
1958	7,776,875	4,798,126
1959	7,938,008	4,742,163
1960	8,500,480	3,571,425

TABLE II

ANADA'S TRADE WITH VENEZUELA

	Exports to Venezuela	Imports from Venezuela
	(Can.$'000)	
1958	43,654	209,590
1959	46,007	204,697
1960	35,345	195,189
1960	15,689 (5 months)	62,829 (4 months)
1961	14,296 (5 months)	60,946 (4 months)

There has been little change in the pattern of our trade with Venezuela and statistics for the first part of 1961 indicate this still holds true. Agricultural products account for the largest proportion, primarily whole milk powder, wheat, eggs in the shell, seed potatoes, malt, oats, and various meat and food products. The decline in the construction industry has reduced demand for such Canadian products as copper wire and tubing, lumber, pipe, and aluminum products. Industrial development is limiting the market for a wide range of finished products and is opening new or larger markets for raw materials.

Crude petroleum and products are the chief imports into Canada from Venezuela and in 1960 they totalled $189 million, followed by green coffee at $249,000, iron ore at $138,000, and cocoa beans at $96,000. For the first four months of 1961, imports of crude petroleum and products amounted to $60 million, green coffee to $255,000, and cocoa beans to $43,000.

Prospects for 1962

Prospects for the economy in 1962 appear more promising, but will depend largely on the implementation of plans and projects for which financial aid is being sought. Any improvement in the world demand and prices for petroleum will automatically benefit Venezuela. Government protection through higher tariffs and trade controls, together with growing local industry, will mean a further drop in imports of luxury products and of goods also produced locally. On the other hand, expanding industrial development is creating demands for raw materials, semi-processed goods, industrial equipment, and some non-luxury consumer goods. Though competition from the major supplying countries is very strong, Canadian exporters in a position to give competitive prices and credit terms, and to visit the market, will find trade prospects attractive. ●

Using Colon Free Zone

CANADIAN exporters, particularly those selling in Latin America, could benefit from an investigation of the Colon Free Zone and its possible advantages to their trade.

This free zone, situated half a mile from Cristobal dock on the Atlantic side of the Canal Zone, began operation in 1953. It provides a place where, to quote from a pamphlet describing it, "goods of all nations may be stored, repackaged, manufactured, processed, assembled, labelled, exhibited . . . or manipulated in any legal manner and sent on to any foreign destination without payment of local taxes, duties or consular fees." Each year an increasing number of firms doing more and more business are using its facilities, with advantages to both themselves and their Latin American customers. At present the Free Zone is used by one Canadian firm and others are investigating it.

Use of the Colon Free Zone, because it is near the centre of the Latin American market, can often result in lower transportation costs by making possible bulk shipping from source, followed by repackaging for end markets. Some airlines are offering air freight rates up to 50 per cent lower from Panama to Latin American countries, thus enhancing sales prospects because of economical freight rates and prompt delivery. A further advantage of the Free Zone is the good supply of skilled labour at wages substantially below those in the United States and Canada.

Companies who wish to manufacture in the Colon Free Zone receive significant tax incentives from the Panamanian Government. Further advantages to manufacturers include ready financing for plant construction, adequate power and good transportation facilities.

The Colon Free Zone covers 97 acres and is close to the modern deep-water seaport and docks at Cristobal. Reliable trucking services are available for transport across the 50 miles of paved highway to Tocumen Airport. Stockpiling on rented floor space provides the exporter with a formidable sales weapon by speeding up delivery and making it unnecessary for the importer to maintain a large inventory. Other Free Zone facilities offered are public warehousing and handling, land rental for open-air storage, and banking services.

Because of the significant growth of the Latin American market and the increasing competitiveness of foreign trade, the Colon Free Zone warrants serious investigation by Canadian exporters. ●

Canada Joins ECLA

Early last month, Canada became a full member of the Economic Commission for Latin America, based in Santiago. Our Commercial Secretary there explains to Canadian exporters what ECLA is and does, and its significance for Canadians.

J. R. MIDWINTER, *Commercial Secretary, Santiago.*

THE HON. HOWARD C. GREEN, Secretary of State for External Affairs, informed the House of Commons on September 11, 1961, that Canada had applied for admission into the Economic Commission for Latin America (ECLA). On October 6, all formalities having been completed, Mr. Green was able to announce that Canada would now participate as a full member in the work of the Commission.

What is ECLA? Who belongs to it? What does it do? What significance has it for Canadian businessmen with interests in Latin America? These are the questions that this article will attempt to answer.

ECLA, which came into existence in 1948, is one of four regional economic commissions functioning under the Economic and Social Council of the United Nations. Its secretariat is based at Santiago, Chile. A branch office in Mexico City has for some years carried on work of special interest to Mexico, Central America and the West Indies. The Commission has approved and will shortly establish a second branch office in Bogotá, to be responsible for Colombia, Ecuador, Venezuela and British Guiana. There is also a representative in Washington to maintain day-to-day liaison with the Organization of American States, the Inter-American Development Bank, the World Bank and other economic and aid-granting agencies in that capital.

The twenty Latin American republics, the United States and now, of course, Canada are full members of ECLA as are, by right of their dependent territories in the Western Hemisphere, the United Kingdom, France and the Netherlands. The West Indies Federation, British Guiana and British Honduras are currently associate members.

ECLA's Function

The purpose of ECLA is to assist in raising the level of economic activity in Latin America and adjacent participating territories on the islands and mainland of the Caribbean area.

The Commission's terms of reference call for it to carry out this task mainly through the conduct of investigations and studies of economic, social and technological problems and the collection, analysis and dissemination of economic, technological and statistical information. It is required to give special attention to economic development and to maintaining and strengthening economic relations of the Latin American countries both among themselves and with other countries of the world.

In addition, the Commission has been asked specifically by the Economic and Social Council to assist in carrying out United Nations technical assistance programs in the Latin American region.

To prevent duplication, ECLA maintains close and in some cases formal liaison with the Food and Agriculture Organization (whose regional headquarters for Latin America are also located in Santiago), other UN agencies, the Organization of American States, a[nd] the Inter-American Developm[ent] Bank. It has a special advisory [re]lationship with the Latin Americ[an] Free Trade Association and [the] Central American Economic In[te]gration Scheme.

The Commission is empowe[red] to make recommendations on a[ll] matters within its competence [di]rectly to governments of memb[er] and associate members and ot[her] specialized agencies.

Institute in Santiago

The scope of the Commissio[n's] operations will soon be enlarged [by] the establishment early next ye[ar] of an Institute of Economic D[e]velopment Planning. This will [be] located in Santiago and will [be] closely associated with ECL[A] whose director will also head t[he] Institute. This new organization w[ill] provide advisory groups to he[lp] member governments prepare d[e]velopment plans and carry out oth[er] planning activities. It will have [a] small research section to deal wi[th] specific planning problems. Its pri[n]cipal function, however, will be [to] provide advanced training in ec[o]nomic planning and related subjec[ts] for officials of Latin American go[v]ernments. Creation of the Institu[te] represents an expansion of ECLA['s] current functions rather than a ne[w] departure.

Direct Significance to Canada

Members of the Commission me[et] biennially in formal session and i[n] the off-years in committee of th[e] whole. These conferences formula[te] basic policy to guide ECLA's worl[k]. Canada will now, of course, have [a] share in this policymaking.

From time to time ECLA als[o] convenes, alone or in conjunctic[n] with other agencies, technical mee[t]ings and seminars in specific field[s]. Of special interest to Canada hav

en the seminars on pulp and per and, just recently, electric wer trends in Latin America. In e planning stage is a full-dress minar on the chemical industry Latin America.

ECLA since its establishment has en the source of a large part of e advanced economic thinking ich has gone on in Latin Amer-a. There is no doubt that its initia-e and work have shaped basic onomic policy throughout the ea. Its influence has contributed pecially to creation of the Latin merican Free Trade Association, e Central American Economic In-gration Scheme, and to acceptance the concept of long-term economic planning, both within countries and for the region as a whole. In a very real sense, recent work by the Commission, including the Ninth Session held in Santiago in May of this year, prepared the ground for the recent Punta del Este Conference which gave substance to the *Alliance for Progress* program, and the Commission is expected to play an important rôle in its implementation.

Because of the quality of its work and the prestige it has acquired, ECLA has great significance for Canada and for Canadian exporters. It is a prime source of information on economic trends and events in Latin America, both in general and in specific fields such as pulp and paper, textiles, iron and steel, chemicals, transportation, power, customs procedures and trade policy, to name but a few. Its findings and recommendations have a way of becoming policy for governments and are therefore of direct interest to Canadian firms dealing with the area.

The Commercial Division of the Canadian Embassy at Santiago maintains close liaison with the secretariat of the Economic Commission for Latin America and is in a position to meet requests from Canadian firms for information on any aspect of the Commission's work. •

he "Alliance for Progress" Program

—A New Deal for Latin America?

The author of this pertinent article was a member of the observer group that Canada sent to the Punta del Este meeting where the concrete objectives of this ten-year, $20 billion program were worked out. He discusses what this plan means to Latin America and the trade and investment opportunities for Canadians that may open up as development in these countries proceeds.

R. MIDWINTER,
mmercial Secretary, Santiago.

NTA DEL ESTE, a Uruguayan nmer resort, was the setting in gust for a two-week conference ended by representatives of the ited States and of the twenty tin American republics. The eting was called to consider ways d means of implementing Presi-nt Kennedy's proposed *Alliance Progress.* Canada sent to the nference (known officially as the ecial Meeting of the Inter-erican Economic and Social Council at the Ministerial Level") an observer group led by the Hon. Pierre Sevigny, Associate Minister of National Defence. Observers from the West Indies Federation, most European countries, Japan, the European Free Trade Association, the European Economic Community and other international bodies were also present.

Basically, the *Alliance for Progress* is a ten-year program embodying a massive injection within Latin America of foreign capital ($20 billion) and technical aid, combined with a variety of self-help measures. The objective is to force the area into self-sustaining growth and to raise individual living standards. If this objective is achieved, trade and investment prospects for Canadian businessmen will obviously be greatly enhanced.

Raising Living Standards

The Conference accepted as a target for growth in income a rise of $2\frac{1}{2}$ per cent per capita per year. This is not as modest a figure as at first appears. In recent years much of the production gain that has taken place in Latin America has been absorbed by an extremely rapid increase in population—over

2.4 per cent per year. Real national income in some countries, on a per capita basis, has actually declined over the past decade. The aim therefore is an annual rate of growth in gross national income of about 5 per cent, a very ambitious figure. Development efforts under the Alliance are to be spread across industry, agriculture, power, mining, transportation and communications.

On the social side, health, educational and housing programs were stressed and if they are properly carried out, they should have a marked effect on the living conditions of millions of Latin Americans. Targets for 1970 include primary education up to sixth grade equivalent for an additional 45 million children; adequate drinking water and sewerage facilities for 70 per cent of the urban and 50 per cent of the rural population; halving of the infant mortality rate, and lengthening of life expectancy at birth by five years. Though no target was set, housing is also to receive major emphasis.

$20 Billion Needed

To achieve the above targets for income growth and social capital, it is estimated that at least $20 billion in external aid, the bulk of it in public funds, will be required. Indications are that the United States Government will be expected to contribute something over half this amount, with the remainder to come from international financial organizations, other governments, and private capital.

This much publicized figure of $20 billion, however, is itself a target rather than a firm commitment. Nevertheless, it does seem reasonable to hope that this target, or something close to it, will be attained. A central fact of the Conference was the position of the United States Administration. The U.S. delegation stressed repeatedly that Latin America could expect to receive much higher priority in U.S. foreign aid plans than in the past and that the Administration at least is determined to do everything in its power to ensure that the objectives of the *Alliance for Progress* are achieved.

The social, health, educational and housing programs planned under the Allia for Progress *should improve the opportunities for and living conditions of milli of Latin Americans, such as these happy-looking children in Peru.*

Willingness of the United States Administration to implement a long-term aid program was one of the decisive factors in the Conference. Nevertheless, it was recognized that there are special situations throughout Latin America where conditions are so unsatisfactory that unless some immediate relief is given, there is grave danger of political unrest of a type that could prejudice the entire *Alliance for Progress*. To deal with this, the United States undertook to organize an emergency or crash program involving the commitment by March 31, 1962, of $1 billion in aid funds for the most critical areas.

Need for Planning

Delegates at Punta del Este recognized that a successful long-term program on such a large scale would require detailed planning, both at the national and multinational levels. Concrete demonstration of the acceptance by the United States of this principle w another major event of t Conference.

The Latin American countr undertook to formulate, if possil within 18 months, long-term dev opment programs for expansion productive capacity and for i provement of the conditions urban and rural life, includi better housing, education a health.

To assist national planning, t Conference approved creation of

1. Task forces to investigate a make recommendations in the fiel of education, land reform a public health.

2. A Standing Committee Development Plans to revie national plans in consultation wi the governments concerned.

The Secretary General of t Organization of American States to organize these task forces ir mediately. They are to carry c investigations in those countri requesting their help and ma recommendations to serve as

asis for the preparation by these ountries of national development lans. In organizing the task forces, he Secretary General is authorized o draw not only upon experts of he Organization of American States nd member governments in the elds of education, land reform and ublic health, but also to retain rivate specialists.

The Standing Committee on Development Plans, or Central lanning Commission as it is also escribed, is to be a central clear- ng-house for national plans and nay wield considerable influence. The Inter-American Economic and ocial Council of the Organization f American States is to appoint ine high level economic experts to erve on the committee. They may e selected from any country, in- luding those outside Latin Amer- ca. These experts are to be mployed full time for a term of hree years (renewable) and are to njoy complete autonomy in the erformance of their duties. The ecretariat of the Organization of merican States will provide ad- inistrative services and staff.

The committee as a whole con- titutes a panel of experts available ndividually or in groups. At the equest of a government, the Sec- etary General of the Organization f American States will appoint an *d hoc* committee composed of not nore than three members of the anel of experts and an equal num- er of experts to be co-opted from utside, who may be private pecialists.

This *ad hoc* committee will, in o-operation with the interested overnment, examine the national evelopment program, suggest odifications if any, and then, with e consent of the government, re- ort its conclusions to the Inter- merican Development Bank and other institutions and govern- ents that may be willing to grant nancial and technical aid for arrying out the program. The nter-American Development Bank nd the United States Government re at least committed to attaching great importance to the recommendations of these committees when they are determining the distribution of *Alliance for Progress* funds.

The committee may become in time an important means of co-ordinating the various economic development programs of Latin American countries and a source of influence in the formulation of these plans.

Reforms Called for

Most attention at Punta del Este was focused on external aid. The Conference emphasized the co-operative nature of the program and recognized that, to be effective, external aid must be coupled with extensive internal reform and a strengthening of administrative machinery.

The Conference adopted resolutions calling upon Latin American governments to follow sound monetary and fiscal policies, to maintain stable foreign exchange, to make a determined attack on the problem of agrarian reform, and to reform tax laws and collection procedures.

Some delegates drew comparisons between the *Alliance for Progress* and the Marshall Plan in Europe and stressed that the Alliance, if it is to be successful, must, like the Marshall Plan, be matched by an effort on the part of the recipients to make the most effective use of their resources.

The final document signed by the delegates to the Conference stressed that aid would only be forthcoming to those countries that make a determined effort to help themselves. The resolution states specifically that "the United States will assist those participating countries whose development programs establish self-help measures, economic policies and programs consistent with the goals and principles of this charter". This proviso offers Latin American governments incentive to implement the domestic policies necessary for the success of the *Alliance for Progress.*

The Conference devoted much attention to the need to stabilize and increase the foreign exchange income of the Latin American countries from their basic exports. It was emphasized that, over-all, the Latin American republics (excluding Venezuela) had lost more foreign exchange in the past five years as a result of a decline in the terms of trade affecting their principal exports than they had received in external aid from all sources during the same period. The problem is further emphasized by the fact that the total foreign exchange reserves of the area are smaller today than they were a decade ago.

The delegates resolved to tackle the problem on two fronts. The first one will be an attempt to induce the main importing countries (inside and outside the hemisphere) to lower trade barriers and to avoid policies that would lead to the accumulation of surpluses within their own borders of products that traditionally are Latin American exports. The second approach will be the study of commodity and related agreements.

In a move of major significance, the United States agreed to subscribe to a "workable" world coffee agreement. The Conference also approved the setting-up of a study group to examine the possibility of an Export Receipts Stabilization Fund and a Compensatory Credit Program, and to draw up a draft plan for the latter to be circulated to member governments before the next meeting of the Commission on International Commodity Trade. Further important developments may be expected.

Economic Integration

Economic integration received relatively little attention at Punta del Este except as a component of economic development, because the Latin American Free Trade Association (LAFTA) was meeting concurrently at nearby Montevideo to organize the free trade area and to carry out the first round of tariff negotiations. Nevertheless, the Con-

ference devoted time to a consideration of basic policy and demonstrated that the regional approach to trade and other economic problems continues to gain ground.

All delegates supported the development of closer trade links among the Latin American countries and gave general endorsement to the creation of LAFTA and the Central American Economic Integration Scheme. Delegates of countries still outside LAFTA indicated their interest in joining the group; the Central American states apparently contemplate eventual adherence as one unit.

LAFTA now numbers eight members: Argentina, Brazil, Chile, Uruguay, Paraguay, Peru, Colombia, and Mexico, with Ecuador's admission expected shortly. There is a real possibility that, within a few years, the system will extend over all or almost all of the hemisphere south of the Rio Grande.

Meanwhile efforts are to be made to ensure that national plans are co-ordinated and economic development urged along complementary rather than competing lines. In particular, Latin American economists wish to see an early end to the area's economic compartmentalization that has given rise to small protected markets and short high-cost production runs, a situation conducive to the growth of inefficient monopolies.

Canadian exporters would be well advised to follow developments closely to take full advantage of changing market conditions. Although some traditional exports may suffer, the larger scale of economic activity should open up many new sales and investment opportunities.

Implications for Canadian Trade

The United States will, of course, contribute the largest part of the external resources of $20 billion which it is hoped will be made available to Latin America under the *Alliance for Progress*. The agencies that will distribute U.S. aid have not been defined. According to current policy, procurement under U.S. aid programs is limited to the United States. Business arising from the *Alliance for Progress* would not therefore be open to Canadian firms when projects are financed directly by the United States.

Earlier this year, the Social Progress Trust Fund began operations. This fund draws its resources —initially $394 million and likely to be increased—from the United States Government but is administered by the Inter-American Development Bank. The fund provides loans and technical assistance on flexible terms for agriculture, low-cost housing, water supply, sanitation facilities, and advanced education and training related to economic and social development. Procurement is restricted to the United States, the recipient country, and (when it is to the advantage of the borrower) other members of the Inter-American Development Bank.

A third major source of financing for the Alliance is the Inter-American Development Bank itself, which began formal operations towards the end of 1960. The Bank's original resources total $959 million, of which $813 million consists of paid-in and callable capital for ordinary credit operations, and $146 million a special fund for "soft" loans. As with the World Bank, the Inter-American Development Bank may add to its resources by floating its own issues on world capital markets.

The Bank's general policy for ordinary credit operations is to lend up to 50 per cent of the cost of a project, with a minimum of $100,000 and a maximum of $5 million. Loans are made to governments, to private firms, and to development agencies and banks for relending. To date, special emphasis has been placed on urban water-supply and sewage-disposal projects. Loans are untied: that is, they may be used to purchase Canadian goods and services in exactly the same manner as loans granted by the World Bank.

In addition to its loan operations the Inter-American Development Bank will now undertake negotiations, when requested to do so, to obtain from other sources financing for national development programs. This will include organization of consortia of credit institutions and donor governments.

The Bank promises to become an important channel through which credit facilities will be made available to Latin America over the next several years. Canadian manufacturers, especially of capital goods, should follow its activities closely.

In addition, the World Bank, the International Development Association, and agencies of the United Nations will continue to provide untied financial aid. Canadian exporters will thus be able to compete for a substantial proportion of the business arising from external aid operations under the *Alliance for Progress*. Because of the emphasis placed on planning, interesting opportunities may emerge for Canadian survey companies and consultants of all kinds. Accordingly, Canadian exporters and other interested parties would be well advised to review their Latin American sales policies to determine how they may best be adjusted to profit from the new opportunities which will appear as the *Alliance for Progress* program proceeds.

IDA Assists Paraguay

THE International Development Association (IDA) has extended a $6 million interest-free credit to Paraguay for improvements to the Asuncion-Encarnacion highway to all-weather standards. This highway serves the heavily populated eastern section of Paraguay where much of the best farming and cattle-raising land is situated, and it is often impassable during parts of the rainy season. The credit also provides for purchase of maintenance equipment and construction of a 1,100-foot bridge to carry the road over the Tebicuary River at Villa Florida.

SHIPPING SERVICES FROM CANADA TO SOUTH AMERICA

FROM

To:	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
Argentina	Daido Line *(Dingwall Cotts & Co. Ltd., Vancouver)* Mitsui Line *(Pacific Export Lines Ltd., Vancouver)* Moore-McCormack Lines *(Balfour, Guthrie (Canada) Ltd., Vancouver)* Westfal-Larsen Line *(Empire Shipping Co. Ltd., Vancouver)*		Brodin Line *(Montreal Shipping Co. Ltd., Montreal)* Columbus Line *(Kerr Steamships Ltd., Montreal)* Moore-McCormack Lines *(Moore-McCormack Lines (Canada) Ltd., Montreal)*
Bolivia *(via Mollendo)*	Grace Line *(C. Gardner Johnson Ltd., Vancouver)* Grancolombiana Line *(Balfour, Guthrie (Canada) Ltd., Vancouver)* *Via Antofogasta, Arica:* Grace Line Westfal-Larsen Line		*Via Santos, Buenos Aires:* Brodin Line Columbus Line Moore-McCormack Lines *Via Antofogasta, Arica, Mollendo:* West Coast Line *(Saguenay Shipping Ltd., Montreal)*
Brazil	Daido Line Mitsui Line Moore-McCormack Lines		Brodin Line Columbus Line Moore-McCormack Lines
British Guiana	Moore-McCormack Lines *(transhipment via Port-of-Spain, Trinidad)*		Royal Netherlands Line *(Montreal Shipping Co. Ltd., Montreal)* Saguenay Shipping Ltd. *(Saguenay Shipping Ltd., Montreal)*
Chile	Chilean North Pacific Line *(Dodwell & Co. Ltd., Vancouver)* Grace Line Westfal-Larsen Line		West Coast Line
Colombia	Grace Line Grancolombiana Line Moore-McCormack Lines Westfal-Larsen Line	Michigan Ocean Line *(The Robert Reford Co. Ltd., Montreal)*	Grancolombiana Line Michigan Ocean Line West Coast Line

FROM

	Pacific Coast	Great Lakes	St. Lawrence and Atlanti
To: Ecuador	Chilean North Pacific Line Grace Line Grancolombiana Line Westfal-Larsen Line		Grancolombiana Line West Coast Line
Paraguay	*Via ports in Argentina, Brazil and Uruguay*		*Via ports in Argentina, Brazil and Uruguay*
Peru	Chilean North Pacific Line Grace Line Grancolombiana Line Westfal-Larsen Line		Grancolombiana Line West Coast Line
Uruguay	Moore-McCormack Lines Westfal-Larsen Line		Brodin Line Columbus Line Moore-McCormack Line
Venezuela	Daido Line d'Amico Line *(Anglo-Canadian Shipping Co. Ltd., Vancouver)* Mitsui Line Moore-McCormack Lines	Michigan Ocean Line	Michigan Ocean Line Royal Netherlands Line Saguenay Shipping Ltd.

TRADE COMMISSIONERS ON TOUR

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Jeddah, Saudi Arabia, and Aden from December 8-16, and Khartoum from January 15-20.

G. E. BLACKSTOCK, Consul and Assistant Trade Commissioner in New Orleans, will visit the following cities in Florida from November 8-22: Jacksonville, Orlando, Fort Lauderdale, Port Everglades, Miami, Coral Gables, Tampa, St. Petersburg, and Clearwater.

F. B. CLARK, Commercial Counsellor in Mexico City, will visit Durango, Torreon and Chihuahua in central Mexico, from January 8-12.

G. L. GAGNE, Assistant Commercial Secretary in Mexico City, will visit Guadalajara and Jalisco, December 5, 6 and 7.

B. HORTH, Assistant Commercial Secretary in New Delhi, India, will visit Kanpur and Lucknow, State of Uttar Pradesh, during November.

B. A. MACDONALD, Commercial Counsellor in Athens, Greece, will visit Cyprus, and Adana and Konya in southern Turkey, between November 15 and December 15.

P. V. McLANE, Trade Commissioner in Glasgow, Scotlan will visit Belfast, Northern Ireland, from November 20-24.

G. A. NEWMAN, Commercial Counsellor in New Del India, will visit Cochin and Trivandrum, State of Kera during December.

R. F. RENWICK, Commercial Counsellor in Port-of-Spa Trinidad, will visit Grenada, St. Vincent, St. Lucia, Dominic Montserrat and Antigua from November 16-24.

R. L. RICHARDSON, Assistant Commercial Secretary Port-of-Spain, Trinidad, will visit Bridgetown, Barbados, fro November 27-December 1.

K. D. TAYLOR, Assistant Trade Commissioner in Guatema City, will visit El Salvador from November 29-December

W. R. VAN, Trade Commissioner in Liverpool, England, w visit Manchester from November 22-25.

Businessmen who would like these officers to underta assignments should get in touch with them at their po as soon as possible. Write to Mr. Armstrong at Cairo, M Blackstock at New Orleans, Mr. Clark and Mr. Gagne Mexico City, Mr. Horth and Mr. Newman at New Delhi, M McLane at Glasgow, Mr. Macdonald at Athens, Mr. Renwi and Mr. Richardson at Port-of-Spain, Mr. Taylor at Guatema City, and Mr. Van at Liverpool.

Japan Accelerates Liberalization

ecent announcement of speeding up of Japan's import liberaliza-on program promises 90 per cent liberalization by September)62. Import budget for last half of fiscal year increased 6 per ent over budget for first half.

. P. BISSONNET, *Commercial Counsellor, Tokyo.*

HE Japanese Government on Sep-mber 26 announced plans for ccelerating trade and exchange beralization. On October 1 it made ublic the import budget for the six onths October to March. Both ese published statements are of iterest to Canadian exporters be-use they affect the immediate and ng-term trading prospects.

The new liberalization program presents a six-month shortening of e original program presented in ne 1960. It provides for 90 per ent liberalization of Japan's im-prts by the end of September 1962 iberalization ratio on October 1,)61, was 68 per cent). Presum-ly a waiver under the GATT will sought on some of the remaining) per cent still restricted after that ne.

rengthening Economy

In announcing the new program, e Japanese Government set forth basic policy within the broad es of which liberalization is to oceed. Although the economy is oming, recent months have seen continued deterioration in Japan's lance-of-payments position. This considered to stem largely from creased domestic demand and ivate industry's heavy investment plant and equipment. Japan has cided therefore to place greater nphasis on exports while restrain-g domestic demand through fiscal d monetary policies. The Govern-nt is taking measures to intensify velopment and the use of natural sources and to establish an over-energy policy. The machinery and chemical industries still lag behind those of the United States and Europe and will receive special attention; it is here especially that a "Buy Japanese" campaign will be instigated.

In forestry, agriculture, fisheries and small business, modernization will be emphasized and attempts made—such as revisions to the customs tariff—to alleviate the hardship that liberalization may mean to them. Some such attempts have already been made and others are planned to meet future situations where liberalization might damage a particular industry. Finally, Japan will urge governments in its present and potential markets to abolish discriminatory restrictions on imports from Japan.

Liberalization Schedule

Canadian businessmen should consult the Department of Trade and Commerce for information concerning the position of specific items under the new liberalization, but the general program and schedule for liberalization of various commodities or commodity groupings is as follows.

Iron and Steel—Pig iron and ordinary steel products now liberalized. Special steels, ferro-alloys, etc., to be liberalized in stages by October 1962.

Machinery—Items included in this grouping will be gradually liberalized by October 1, 1962. At the same time, counter measures will be taken to lower domestic production costs and make local industry more competitive in foreign markets.

Chemical Products—Will be liberalized in stages up to October 1, 1962. Rationalization of the petrochemical industry to take place concurrently with liberalization; this includes expansion programs and the creation of combines. Certain protective tariff measures will also be taken. Products not already liberalized in the following categories will experience similar staged liberalization: paints and allied products, rubber products, fertilizers, soda products, inorganic chemicals, medicines and pharmaceuticals.

Ceramics and Sundry Goods—Follows the general pattern of stage-by-stage liberalization. Special mention made of leather products; it is felt that the domestic tanning industry will be hard hit. The same is true of sundry consumer goods where preference may be for the imported product.

Textile Products, Pulp and Paper—Most textile products were freed on October 1, 1961; others will be at an early date. Of particular interest to Canada is the announcement that greater use will be made of domestic broad-leafed pulpwood to supplement softwood pulp production. Chemical pulp will be freed on April 1, 1962; paper pulp on October 1, 1962. Some lined paper and printing paper was freed October 1, 1961; most wrapping and writing papers will be freed by April 1, 1962. Fine paper, corrugated board and kraft papers will be freed by October 1, 1962.

Mineral and Non-Ferrous Metal Products (including ores)—Development of new domestic resources and promotion of the development of overseas sources considered necessary. Specifically, nickel was freed

COMMODITY IMPORTS BUDGET

	Second half fiscal 1960	First half fiscal 1961	Second half fiscal 1961
		(U.S.$'000,000)	
Foodstuffs	199.1	206.7	153.5
Monopoly goods (salt and tobacco)	26.5	9.2	37.2
Coal (including coke)	60.1	80.6	105.3
Metal and non-metallic products (including ores)	83.0	99.0	94.0
Petroleum	240.7	242.0	271.6
Machinery	365.0	480.0	450.0
Miscellaneous imports (I)*	(196.1)	(181.3)	....
	505.6	189.5	184.5
Miscellaneous imports (II)**	50.0	115.0	220.0
Sub-total of fund allocation items	1,530.0	1,422.0	1,526.0
Automatic approval system	1,100.0	1,850.0	1,800.0
Ordinary reserve	170.0	....	200.0
Grand total	**2,800.0**	**3,272.0**	**3,526.0**

*Includes the figures for textile raw materials, fertilizers, crude materials for processing, barter trade goods, and medicinal and pharmaceutical goods. These were formerly listed independently. Figures in brackets are for miscellaneous imports (I) as previously listed, only.

**Equal to the automatic fund allocation.

INVISIBLE IMPORTS BUDGET

	First half fiscal 1961	Second h[alf] fiscal 19[61]
	(U.S.$'000,000)	
Planned allocation		
Transportation	110.0	110.0
Insurance	.8	.9
Overseas travel	10.0	9.5
Gains on foreign investments	15.3	13.3
Expenses incidental to trade	80.0	66.5
Royalties on technological assistance	8.3	8.3
Other services	47.6	53.6
Gifts	1.1	1.1
Long-term capital transactions	97.0	83.6
Short-term transactions	6.0	10.4
Commodity transactions	4.4	4.9
Sub-total	381.5	362.0
Freed allocation		
Current transactions	328.0	364.0
Capital transactions	137.0	97.0
Sub-total	465.0	461.0
Ordinary reserve	20.0	50.0
Grand total	**866.5**	**873.0**

on October 1, 1961; tungsten, molybdenum and manganese ores will be liberalized October 1, 1962. Special tariff arrangements have been made for nickel. Details of other non-ferrous metal liberalizations not yet announced.

Energy Materials—Oil scheduled to be liberalized on October 1, 1962, but before this goes into effect Japan's current balance-of-payments position will be considered. The effect it will have on Japan's already inefficient coal industry is also being studied.

Agriculture—Many of Canada's agricultural exports to Japan are not included in the 90 per cent liberalization program. In the announced program, no mention has been made of such commodities as wheat, barley, flour, rapeseed, mustardseed, milk powder, tobacco and malt. On the other hand, liberalization of some processed fruit and vegetables, linseed oil, livestock, honey, eggs, and certain other food items, such as macaroni and spaghetti, is scheduled for October 1, 1962.

Forest Products—Liberalization of logs and lumber was completed on October 1, 1961, except for coniferous woods which will be freed before April 1962.

While the trade liberalization plan is being carried out, a systematic partial decontrolling of foreign exchange will also take place. It will affect a wide range of usage in foreign transactions, technical arrangements, travel, research, trade fairs, etc.

Import Budget

The Government on September 30 approved a record import budget of $4,399 million for the second half of the fiscal year 1961/62 (October-April). Of this, $3,526 million is for import commodities and $873 million for payments on invisible imports. The total represents an increase of 6 per cent over the working import budget for the first half of the fiscal year. It recognizes the scope of the industrial modernization program and the implementing of the first stage of the accelerated import liberalization program. The Japanese Government estimates the rate of increase [in] industrial production at 18.5 p[er] cent for the full 1961-62 fiscal ye[ar] as against 14.7 per cent in its or[i]ginal estimate. Actual industri[al] production in the second half w[ill] rise 5.9 per cent above the first ha[lf]. Since 72 per cent liberalization w[ill] have been reached by March 3[1], 1962, (based on net imports [in] 1959—i.e., total imports minus go[v]ernment imports), this budget [no] longer is a significant means of im[port] control.

Balance of Payments

The Ministry of Finance has est[i]mated that current accounts w[ill] show a deficit of $880 million f[or] the current fiscal year, and capit[al] accounts should show a $350 mi[l]lion credit. This will give a n[et] record deficit of $530 million. Tot[al] foreign exchange reserves are pr[e]dicted to decrease to $1,460 millio[n] by the end of fiscal 1961 fro[m] $1,610 million at the end of Sep[]tember 1961. This amount woul[d] represent the value of approximatel[y] four months of visible imports [at] the current rate. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

fghanistan

RADE WITH FOREIGN COUNTRIES BLOCKED—Early in September, Afghanistan and Pakistan broke f diplomatic relations. Since that time goods congned to Afghanistan through Karachi, Pakistan, which the major port for Afghanistan, are beginning to le up at the port to such an extent that the Pakistani ithorities have indicated that these goods may have be auctioned off to alleviate the congestion.

Canadian companies trading with Afghanistan may adversely affected by this situation and, before enterg into any firm commitments with Afghanistan, they ay wish to check with the Commercial Secretary, ffice of the High Commissioner for Canada, P.O. ox 3703, Karachi, Pakistan, who is responsible for fghanistan.

dia

IPORT CONTROLS—The Indian Government cently announced its import trade control policy for e licensing period October 1961-March 1962. The reign exchange position continued to deteriorate durg the preceding period, thus forcing the Government tighten its import controls.

Established importers and actual users of sulphur, well as established importers of zinc, can now obtain ese commodities only on a basis which does not quire the immediate outlay of foreign currency (e.g., nder foreign aid or long-term loans). Actual users of nc, however, will still be able to import on a normal mmercial basis.

In order to encourage the establishment of industries oducing mainly for the export market, the Government will give special priority consideration to applications for the import of plant and machinery required r these industries.

Established importers' quotas on 117 items have been duced. Quota reductions of significance to Canada clude:

n and steel valves, from 30 to 25 per cent
exible pipes, from 50 to 20 per cent
n and steel wire rope and strander wire, from 10 to 7½ per cent
pper rods, sections, pipes, etc., from 12½ to 10 per cent
bestos manufactures, from 10 to 5 per cent
dmium, bismuth, chromium, etc., from 100 to 90 per cent
uminum alloy items, from 20 to 10 per cent
rbons from 75 to 50 per cent
exposed cinematograph films, from 40 to 33⅓ per cent
ricultural implements, from 15 to 10 per cent
etylene black and carbon black, from 40 to 30 per cent
nthetic resins, from 30 to 25 per cent

Imports of butyl acetate, butyl alcohol, and bicycle parts have been prohibited. Licences for rough optical blanks will be valid also for bifocals and trifocals.

The basic period for establishing import quotas on 19 items has been extended, and the validity period of licences has been extended in the case of ten items. Among the four new items for which applications from actual users only will be considered are hosiery needles and wire and sieve cloth.

The repeat licensing schemes already in existence continue unchanged.

Further details concerning the licensing treatment accorded to specific items may be obtained from the International Trade Relations Branch.

Ireland

APPLE IMPORT LICENSING—Because of the scarce home crop of apples in the Republic of Ireland, the Department of Agriculture in Dublin has decided to issue import licences to the regular apple importers, effective November 1 to December 31, 1961. The amount set for this period is 1,000 long tons. The Department will review the apple situation again in December and further licences will be issued if necessary. Apples produced in Britain and Northern Ireland do not require import licences—Dublin.

Jamaica

IMPORT RESTRICTIONS—Advice has been received that the Jamaican Control Authorities will no longer permit the import of chrome dinette sets in order to protect the local manufacturer.

Mattresses costing less than £14* c.i.f. Kingston are also on the list of prohibited imports. However, mattresses of a type not manufactured locally and costing £14 or over each, c.i.f. Kingston, may be imported under import licence.

*£1 sterling equals $2.90 Canadian at current rate of exchange.

Sweden

IMPORTS OF FRESH APPLES TEMPORARILY FREED—The Swedish Agricultural Marketing Board has announced that fresh apples may be imported into Sweden without quantitative restrictions during the period December 4, 1961, to June 30, 1962, inclusive. Provided that the date on the bill of lading (or any equivalent date) lies within the above mentioned period, imports may take place up to 60 days after the expiry of the period, that is, August 29, 1962, at the latest.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .967937.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent November 6	Units per Canadian dollar	Notes (See belov
Argentina	Peso		.01248	80.13	
Austria	Schilling		.04000	25.00	
Australia	Pound		2.3257	.4300	
Bahamas	Pound		2.9071	.3440	
Belgium and Luxembourg	Franc		.02076	48.17	
Bermuda	Pound		2.9071	.3440	
Bolivia	Boliviano	Free	.00008810	11,350.74	
British Guiana	Dollar		.6056	1.65	
British Honduras	Dollar		.7268	1.37	
Brazil	Cruzeiro	Free	.003365	297.18	
		Special Category	†	†	
Burma	Kyat		.2170	4.61	
Ceylon	Rupee		.2180	4.59	
Chile	Escudo	Free	.9821	1.01823	
Colombia	Peso	Certificate	.1542	6.48	
Congo, Republic of	Franc		.02076	48.17	
Costa Rica	Colon		.1559	6.41	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1435	6.97	(
Denmark	Krone		.1500	6.67	
Dominican Republic	Peso		1.03313	.9679	
Ecuador	Sucre	Official	.05740	17.42	
		Free	.05011	19.96	
El Salvador	Colon		.4133	2.42	
Fiji	Pound		2.6190	.3818	
Finland	Markka		.003229	309.69	
France, Monaco, etc.	New Franc		.2102	4.76	
Franco-African Republics, etc.	Franc		.004204	237.87	
French Pacific	Franc		.01156	86.50	(
Germany	D Mark		.2582	3.87	
Ghana	Pound		2.9071	.3440	
Greece	Drachma		.03443	29.04	
Guatemala	Quetzal		1.03313	.9679	
Haiti	Gourde		.2066	4.84	
Honduras	Lempira		.5166	1.93	
Hong Kong	Dollar	Free*	.1815	5.51	*Oct.
		Official	.1817	5.50	
Iceland	Krona	Official	.02403	41.61	(
India	Rupee		.2180	4.59	
Indonesia	Rupiah	Official	.02296	43.56	(
Iran	Rial		.01364	73.32	
Iraq	Dinar		2.8928	.3457	
Ireland	Pound		2.9071	.3440	
Israel	Pound		.5740	1.74	
Italy	Lira		.001664	600.96	
Japan	Yen		.002870	348.43	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent November 6	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3246	3.08	
Mexico	Peso		.08265	12.10	
Morocco	Dirham		.2066	4.84	
Netherlands	Florin		.2868	3.49	
Netherlands Antilles	Florin		.5478	1.82	
New Zealand	Pound		2.8872	.3463	
Nicaragua	Cordoba	Effective buying	.1565	6.39	
		Official selling	.1466	6.82	
Nigeria	Pound		2.9071	.3440	
Norway	Krone		.1451	6.89	
Pakistan	Rupee		.2180	4.59	
Panama	Balboa		1.03313	.9679	
Paraguay	Guarani	Official	.008167	122.44	
Peru	Sol		.03851	25.97	
Philippines	Peso	Free	.3444	2.90	
		Official	.5166	1.93	
Portugal & Colonies	Escudo		.03606	27.73	(5)
Republic of South Africa	Rand		1.4536	.6879	
Singapore and Malaya	Straits Dollar		.3392	2.95	
Spain and Dependencies	Peseta		.01722	58.08	
Sweden	Krona		.1998	5.00	
Switzerland	Franc		.2390	4.18	
Syria	Pound	Free	.2890	3.46	
Thailand	Baht	Free	.04887	20.46	(4)
Tunisia	Dinar		2.5002	.3999	
Turkey	Lira		.1148	8.71	(4)
United Arab Republic	Pound	Official	2.9667	.3371	
United Kingdom	Pound		2.9071	.3440	
United States	Dollar		1.033125	.967937	
Uruguay	Peso	Free	.09422	10.61	
Venezuela	Bolivar	Official	.3086	3.24	
		Free	.2260	4.42	
West Indies Fed.	Dollar		.6056	1.65	(6)
	Pound		2.9071	.3440	(7)
Yugoslavia	Dinar	Official	.001378	725.69	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Cotton

PARAGUAY—Total cotton production this year is estimated at 22,000 tons, compared with 14,000 in 1960. Of the two annual crops, the first was of good quality but the second was adversely affected by the weather. Planting is expected to increase from the present 60,000 hectares to 80,000 hectares in the next season.

Because of increased confidence among growers, production in 1962 should rise to 35,000 tons, the normal level in the years before 1959. Exports of cotton fibre in the first six months of 1961 reached 3,371 tons—Montevideo.

Gas

BRAZIL—Complete equipment for a gas plant to supply Rio de Janeiro and São Paulo is being sent to Brazil by the U.S.S.R. The plant will be installed in the interior of the state of São Paulo. The order was placed in Leningrad about 18 months ago—São Paulo.

Meat Processing

VENEZUELA—Two new meat-packing plants, one at Maracaibo for processed meats and the other at Maracay for devilled ham, are to be constructed. The former will be situated near the eastern approaches to a bridge being built over Lake Maracaibo and will be partially financed by the Creole Petroleum Company. The latter, owned by Venezuelan interests, plans an intensive program in concert with the Venezuelan Ministry of Agriculture to stimulate the raising of high-grade hogs—Caracas.

Motor Vehicles

COLOMBIA—Ten jeeps a day are now being assembled by a Bogotá company. Only a quarter of the materials now being used are of local manufacture. However, the plan is to raise this proportion to 40 per cent by the end of 1961 and to not less than 75 per cent by the end of 1962.

Another Colombian company is planning to produce motor vehicles in collaboration with a Spanish manufacturer. The machinery for this factory will be imported on a barter basis against shipments of Colombian coffee—Bogotá.

Paper

ARGENTINA—The Ministry of Economy has approved a foreign capital investment of £425,866 sterling by Wiggins Teape Co. Ltd. of London, England, in conjunction with Witcel S.A. of Buenos Aires, to establish a mill to make special types of high-grade paper—Buenos Aires.

Steel

BRAZIL—Cia. Siderurgica da Amazonia in Mana[us] has made an agreement with KRUPP of West Ge[r]many whereby the German firm will furnish equipme[nt] and technical knowhow in exchange for iron ore. P[art] of the equipment will come directly from Germa[ny] and part will be manufactured locally by Industri[a] Nacional de Locomotivas, a Brazilian subsidiary [of] KRUPP.

This agreement will increase the estimated initi[al] annual production of steel from 30,000 to 100,0[00] tons, for the supply of the north-northeastern region[al] market. Eventually steel may be exported, mainly [to] Peru—Rio de Janeiro.

Winter Service Offered

Canadian Pacific Steamships recently announced th[at] it will offer a general cargo winter service this ye[ar] between Quebec City, London and Antwerp. T[he] Eskimo *and* Fort Chambly, *reinforced motor vess[els] of the Canada Steamships Line fleet, will be used [to] provide this service. The* Eskimo *is capable of lifti[ng] 6,000 tons and the* Fort Chambly *8,000 tons. The sh[ips] will operate under the Canadian Flag and each ves[sel] will make three westbound and two eastbound voyag[es].*

The J. Lauritzen Line which inaugurated win[ter] service to Quebec City and Baie Comeau three yea[rs] ago has announced that it will extend its service t[his] year to include the port of Three Rivers. Five heav[y] reinforced polar vessels will provide seven sailings [in] each direction between the St. Lawrence and Brit[ish] and European ports.

The Canada-United Kingdom Freight Conferen[ce], of which Canadian Pacific Steamships is a member, h[as] announced that the following premiums will be appl[ied] to the existing ocean freight rates for cargo movi[ng] out of St. Lawrence River ports this winter abo[ard] Conference vessels:

Twenty per cent on all rates up to and includi[ng] $25 per ton weight or measurement;

Fifteen per cent over $25 up to and including $[40] per ton weight or measurement;

Ten per cent on all rates in excess of $40 per t[on] weight or measurement.

In addition, an over-all surcharge of 2½ per ce[nt] previously announced by the Conference became eff[ec]tive November 1, 1961.

The J. Lauritzen Line is not a member of the Co[n]ference. Freight rates may be obtained by contact[ing] its agents, Quebec Terminals Ltd., in either Que[bec] City, Three Rivers, Montreal or Toronto.

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COMING——THE BRITISH MARKET FOR HEATING EQUIPMENT, DECEMBER 16

A Continuing Campaign

LAST December my Department and I had the privilege of welcoming over 1,300 businessmen who came to the Export Trade Promotion Conference that we organized. I talked w many of them then; I have met hundreds of their colleagues since; others have written to me about their plans and their problems. I have been filled with admiration for their efforts and gratified by their success in foreign markets. I am conscio too of how much remains to be done and how many have not yet enlisted in this campaign.

This Conference, "Operation Export", I regarded as the first salvo in a continuing campaign—a campaign to ensure for Canada its proper place as one of the world's great trading nations. It is a campaign in which, as I have often emphasiz three forces must co-operate—management, labour and government. Each must contribute its best if we are to win our objectiv

When the Conference ended, we moved quickly to enlist other allies—the provincial governments and the business and trade associations. With their help and stout support, we have stag trade conferences in eight of the provinces and by February we will have covered the remaining two. These meetings with businessmen have proved to be a useful exercise.

As a Department, we have pressed the attack on our objective on two fronts. We have urged business to go after foreign marke and we have given our exporters every encouragement. But we have also built up our domestic commerce services. This action we took to help business produce more efficiently and at lower cost and to improve productivity and product design. This will, in turn, make us more competitive abroad. With wid and more varied markets, we can produce more competently a broader range of products and so diversify our economy.

In the Department of Trade and Commerce we have qualified personnel and an efficient operation. The businessmen of Cana whom we serve have told me this and my own observations confirm it. We stand ready to assist in many ways and I urge more of you to call on us.

This issue of Foreign Trade *contains a number of examples of Canadian firms that, with the impetus the Conference provide are well on the road to achieving export success. Their experience have encouraged me and I hope that they will encourage you, the businessmen of Canada, to press forward in a trade offensive confidently begun.*

Minister of Trade and Commerc

One year ago, over 1,300 Canadian businessmen travelled to Ottawa to attend an Export Trade Promotion Conference. What kind of advice and assistance did they receive and how has it helped them to expand exports? The experience of a number of companies supplies a partial answer and a number of encouraging examples.

How "Operation Export" Helped Business

"WE greatly appreciated your Department's invitation to the Trade Promotion Conference in Ottawa last December. As a result of this, we were encouraged to attempt to establish distribution in both the Caribbean and the United States. From results to date, it would appear that we can reasonably expect in excess of $2 million worth of sales . . . in the American market during the coming twelve months."

"As a result of your good work, I am rather in a quandary as I have literally been flooded with requests for our line."

"By June, we had reached the point where we had enough new business. If we had contacted all the Trade Commissioners we interviewed at the Conference, we could not have supplied the resulting demand."

"Thanks to the Conference, we set out to learn the technical language of a new market."

THESE are comments made by businessmen in the months following the Export Trade Promotion Conference, held in Ottawa in the first three weeks of December 1960. They are typical of the experience of many of the 1,365 businessmen who each sought interviews at the Conference with from eight to twenty of the 110 Trade Commissioners brought home for the occasion and who have since made serious efforts to sell abroad.

The impression that the Conference made upon these active or potential exporters and their success since naturally have depended not only upon the person but also on the products he wished to sell; it takes much longer, as a rule, to establish contacts for and make sales of complicated and highly engineered equipment or oil heaters than, say, toys or wood pulp. They have depended on how actively and enthusiastically the firm followed up the leads that the Trade Commissioners provided. They have depended on the markets the companies chose to tackle; some were less restricted or perhaps less competitive than others. And sometimes luck played a part, as it does in many commercial undertakings.

Personal Contacts

Just how did the Conference help to boost export trade? What did it give businessmen and Trade Commissioners in the way of concrete help? A look at the record and talks with businessmen and officers of the Department provide a composite and interesting answer to these questions.

The most obvious way in which the Conference helped was by bringing together Trade Commissioners and businessmen in high-speed but practical conferences. The businessman could get his story across more easily than by correspondence. (And, of course, personal acquaintance makes subsequent correspondence easier.) He could brief the Trade Commissioner on the product itself, the ways in which it could be used, the type of people who would buy it, its superiority over competing lines, the sales literature he could provide, prices, and possible promotion plans. Sometimes

this discussion had a direct bearing on sales. The Commercial Counsellor in New Zealand discussed with a manufacturer of heavy machinery the model he was trying to sell there. When he returned to Wellington, he was able to spur on the company's agent and to take a helpful part in discussions with the government department that was considering buying the machinery. The result: solid sales.

Some Trade Commissioners, on their return to their posts, were able to find customers for certain Canadian companies almost immediately. The Commercial Counsellor in Norway just before he left Oslo for Ottawa was consulted by a Norwegian firm that wanted to import household refrigerators. One of his first interviews at the Conference was with a firm turning out refrigerators. The result: Canadian supplier was put in touch with Norwegian customer. Every Trade Commissioner went back with a new appreciation of what Canada was producing. One of them wrote to the Department later: "One outcome [of the Conference] is that our correspondence files and catalogue library are again full of information about Canadian goods for export . . . This material will be most useful."

The Commercial Counsellor in Brussels (left) and a Canadian exporter engage earnest discussion over sales opportunities and trading techniques in Belgium dur the Export Trade Promotion Conference held in Ottawa in December 1960.

Where to Sell

Once he explained what he had to sell, the businessman's next question was: "Where shall I try to sell it?" As the representative of one company remarked, "If you're new to export, what do you do? Just take off? Should I start in the U.S. or Europe or where? That's what I went to Ottawa to find out." For the man already selling abroad or faced with import restrictions in certain countries, the question became: "What other markets should I try?" Hundreds of the participants emphasized the unique value of the Conference in answering these questions. Trade Commissioners covering literally every world market could be consulted under one roof; one visitor said he obtained "a bird's eye view of world conditions in one fell swoop."

When they had completed their schedule of interviews with Trade Commissioners and Commodity Officers, representatives from one company reported that they had "wrapped up the world market possibilities for their line." Another firm making heavy equipment had pinpointed the areas in which its products could compete without facing import restrictions or dollar shortages. The part-owner of a small hardware business, just entertaining the idea of exporting, came with the intention of making an initial try in Europe. He found that the competition for his lines would be too stiff and was advised to try Latin America instead. A fourth company assessed in two days of interviews the market possibilities throughout Latin America and a number of exporters with their eyes fixed on more distant opportunities were persuaded not to overlook the nearby U.S. market. One handbag manufacturer, with the assistance and advice of the New York Trade Commissioner, has had notable su cess in that competitive ci Another large company interview the Commercial Counsellor fr Vienna, who suggested Easte Europe as a possible outlet. T export manager has since visit these countries and prospects ha proved to be promising.

Finding Agents

One of the main tasks in wh the Trade Commissioners at nea all posts were engaged when t Conference was over was the fir ing of suitable agents for a la number of the companies they terviewed. They have reported th progress with this assignment regular intervals to the Departm at home. By the end of Septemb 1961, 922 new agencies or buyi connections had been establish and some 1,200 were still bei explored. The job of locating a su able agent can be time-consumi especially when the one chosen h to provide servicing or other spec facilities.

About 20 per cent of the firms epresented at the Conference were iewcomers to export trade. For the ›ther 80 per cent, the problem night be finding agents in a preiously untried market. Frequently hese firms, in interviews with the rade Commissioners, concentrated n straightening out problems arisng between agent and principal or n obtaining additional information bout the agents. A Montreal enineering firm, for example, made a oint of getting from the officers ith whom they talked an evaluaon of their representatives. Others sked for information on credit tandings. One firm exporting to enezuela discovered that its agent ad gone out of business. Another ompany got additional orders beause it assured the Trade Commisoner that it did make the size of inyl tile that a foreign customer anted; the agent was unaware of his and was on the point of refusig the business. During one interew, the Trade Commissioner was resented with a list of possible agents and culled from it the firms he thought worth serious consideration and not mere sample seekers. One officer posted in Latin America undertook to call on the agents for companies whose representatives he met at the Conference and to find out whether they were pushing their products sufficiently.

Tariff and Other Problems

Some large companies with impressive sales and experience abroad made a point at the Conference of discussing trade policy and access to markets, both with the Trade Commissioners and with officers of the International Trade Relations Branch. Many sought information on the possible effect of the Common Market on their trade. One of them wrote later: "A growing problem for the exporter . . . is to maintain reasonably free access to both traditional and new markets. Tariff intelligence, and negotiations where necessary, are essential to the solution of this problem and the help of the Trade Commissioner who is on the spot in foreign countries is most useful. We therefore appreciated the opportunity which the Conference gave to meet personally the field representatives of the Department and thus to supplement the contacts we have always enjoyed with officials of the Department in Ottawa."

ome 100,000 pounds of Canadian salt arrive in Jamaica, a market that the comny opened up with the help of the Trade Commissioner following the Conference.

This company was not alone in seeking tariff intelligence: the International Trade Relations Branch was kept busy for two months after the Conference ended answering hundreds of requests for detailed information on tariffs, import restrictions, and other regulations affecting Canadian trade.

Sometimes teamwork between head office and foreign posts cleared up a situation that was making an exporter consider giving up his sales efforts entirely. One man had been selling an agricultural product in the United States, had run into a labelling problem, and had been told to take it up with the U.S. Food and Drug Administration. Uncertain about how to do this, he had stopped shipping. At the Conference he talked to one of the Trade Commissioners in the United States, who asked his colleague in Washington to take the matter up with the proper authorities. A solution was soon reached.

Export Techniques

Many businessmen reported that they profited from the advice they received on export techniques. Quoting c.i.f. prices is a point that the Trade Commissioners always make; one company decided that quoting prices f.o.b. to its customers in Manila might be the reason for its lack of success in the Philippines. It has taken some firms a number of months to work out c.i.f. prices for various areas, revise their export catalogues, reprint them, and get ready for a real export drive.

Other companies were convinced by the Trade Commissioners and Commodity Officers that the product itself must be modified for export or perhaps the packaging

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changed. "As soon as we have a product in a proper package," one company wrote, "we hope to get some export business." Said another, "We have designed a new and smaller machine suitable for export as well as the home market. We are now making same and preparing literature about it." Sometimes the first step was making up a new range of samples and getting them shipped promptly to posts in the countries with sales possibilities. Firms with electrical appliances, heating equipment, etc., to sell often needed advice and assistance from the Department at home and abroad in getting these products tested by the authorities to make sure that they met the standards of the country. Occasionally the Canadian manufacturer had to make certain modifications in his design before he could begin his sales drive.

Visits Encouraged

Many of the Conference visitors were stimulated to undertake personal exploration of export markets. A number of them acted quickly. "By 9.15 a.m. on January 3rd," the Trinidad office reported, "three exporters whom we had met at the Conference arrived in our offices and by the end of the day, we had established three new agency connections." From January to April 1961, the Jamaica office welcomed 81 business visitors and 41 of these were from firms interviewed at the Conference. Many of the sales successes that have been reported owe much to the visits made to hopeful areas by company executives. This held true in Britain; the London office, in reporting certain sales, added: "One point that all these companies had in common was that they sent a senior executive of the company, who was able to make decisions on the spot, to visit Britain for at least two weeks." Another Trade Commissioner reported that "Mr. X made a personal visit to New Zealand, accepted our agency recommendation, toured the country, and did what we consider to be a professional job on introducing his product . . . We underline his personal visit as a key factor in his success."

Among the steps in sales promotion that many of the Trade Commissioners recommended was participation in trade fairs abroad. An Ottawa Valley lumber firm acted on this recommendation promptly by entering the Northeastern Retail Lumber Dealers Show in New York City in January. "Since that time," the firm told us, "we have increased our sales to the point . . . where in the month of January, which is normally a very slow month in the lumber industry . . . we have had to run our plant on a three-shift basis." A number of other companies were persuaded to enter specialized fairs, particularly in the United States and Britain. Some are going into the Canadian trade fairs in Ghana and Nigeria in January and February 1962, and others intend to participate in trade exhibitions when their export plans have taken shape.

A New Prestige

One rather intangible but important effect of the Conference was emphasized by men with years of experience, some of whom had long struggled to convince top management of the importance of export trade. The enthusiasm that the Conference engendered, the publicity it received, and the favourable impression it made on the participants helped to give exporting a new prestige. It was noted that, as the Conference proceeded, more presidents, vice-presidents and general managers, and general sales managers applied for interviews. They came away convinced that export trade is vital. Said one export manager, "It brought the attention of top management to export and made it conscious of what exporting requires." It also induced in many a more realistic attitude towards the whole business of trading abroad. One point was made again and again—that export sales, even when the profit is smaller than on domestic sales, reduce unit cost and thus help domestic sales. Thi in turn makes it easier to keep plant in full production. The De partment also made clear to it visitors that in exporting, as i other ventures, the prize goes to th man who perseveres. One executiv remarked, "I'm prepared now t give exporting a good try and t stick with it for at least five years." Like his colleagues, he had dis covered also the range of the serv ices that the Department of Trad and Commerce provides. Anothe export manager said, "I've foun out that I have 110 crackerjac salesmen on my staff that I haven' been using."

Most important, the Expor Trade Conference got more prod ucts moving out of Canada and int the hands of foreign customers Naturally, other factors also oper ated—especially the aggressivenes and drive of businessmen them selves in following up leads o adapting their techniques and thei products where necessary. Leafin through the Department's files, on can discover many success storie in addition to the eight covered o pages 7 to 11 in this issue. Cana dian rock maple furniture is now o sale at Harrod's in London; tracked carrier is in use in Gabon Africa; dental burrs were sold i New Zealand, frozen foods in Ber muda, tomato juice in Britis Guiana, bleached pulp in th Netherlands, steel barrels in Sout Africa, laboratory desk tops in th United States, and lamps in Britai —to pick out only a few products

Above all, the Export Trade Pro motion Conference raised the sight of Canada's businessmen and mad the target clear. Business has a bea on export. ●

Nine Companies Tell Their Story

Ceylon Commissions Chemicals Study

ONE evening last July, a Canadian consulting engineer found himself enjoying a rubber of bridge with three Ceylonese in up-country Ceylon. A special assignment—a study of the domestic chemical industry and the directions in which it should expand—had brought him to Ceylon and his fellow players were co-operating with him in his investigation.

As George Crane, of Casson and Crane, tells it, his firm won the contract chiefly because his partner, Vincent Casson, came down to the Export Trade Promotion Conference. He was on the lookout for opportunities to do engineering studies in the under-developed countries. He therefore chose to talk principally with the Trade Commissioners from Asia and Africa. When he met I. V. Macdonald, Commercial Secretary in Colombo, he had a definite project to discuss. From the External Aid Office, Mr. Casson had heard that Ceylon was considering a study of its chemical industry with special reference to chemicals for papermaking and agriculture. It would not, however, be carried out under the sponsorship of the Colombo Plan. He explained that his firm had special competence and experience in the electrochemical and fertilizer fields and was anxious to get the contract.

Mr. Macdonald listened with increasing interest and, when he returned to Ceylon, drew the attention of the proper people to Casson and Crane's capabilities. He kept pursuing the matter and early in 1961 the firm was given the opportunity to do a free preliminary survey, using material supplied from Ceylon. This introduction to the problems of the industry convinced Mr. Crane that these were soluble and convinced the crown corporation that he was the man to do the job. The contract was awarded in April, Mr. Crane arrived in Ceylon in July, and by mid-August the survey was completed and the report presented to the Government.

The assignment had several aspects. First, Mr. Crane checked on the design and efficiency of the existing chemical plants and gave technical assistance on the operation and management of them. Second, he advised on how byproducts could be put to use in producing chemicals that were being imported —such as water-treatment chemicals, detergents, and fertilizers. In fact, he recommended the establishment of an integrated fertilizer industry. He covered the economic as well as the technical aspects of all these undertakings and estimated the possible savings in foreign exchange. The Government of Ceylon has already indicated that it would like to go into making fertilizers, so the firm's services may be used again.

"We never would have got the contract without the work of the Trade Commissioner," Mr. Crane says. "He continued to help us in a number of ways, such as the clarification of bills and the payment of accounts. When I arrived in Ceylon in July, I went straight to his office and he gave me a useful rundown on the economic and political situation. I was going into the back country by myself and I needed this briefing."

Engineering projects sometimes take a long time to reach fruition and Mr. Crane is hopeful that some of the inquiries from other countries, such as Greece and Nigeria, that came to him as a result of the Conference may eventually mean business for his firm. A small company, he explains, can't spend money on selling itself and its services. He gives the Department and its Trade Commissioner Service full marks for its efforts on the firm's behalf. ●

Veteran Exporter Renews Contacts

A company that has sold abroad for close to half a century and that today markets its products in 40 countries in the face of stiff and increasing competition does not rank as an amateur in the export field. Yet the Reliable Toy Company of Toronto accepted the invitation to attend the Export Trade Promotion Conference and sent the assistant to the vice-president and the general sales manager as its representatives.

"We didn't want to miss any opportunity of furthering our close contacts with the Department of Trade and Commerce," E. S. Lindo, assistant to the vice-president, explains. "We weren't so much looking for new markets as trying to increase our knowledge of and cement our relations with our present markets."

"For us, the most valuable thing about the Conference was that it gave us the chance to sit down with the Trade Commissioners and discuss difficulties that had arisen in various countries. In doing busi-

ness, situations sometimes develop, either with an agent or a customer, that can't be straightened out easily by letter. The trouble may be that the agent hasn't access to the information he needs, or something similar. We were able to give the Trade Commissioner our side of the story and he in turn was able to explain matters to the agent or buyer.

"These interviews helped us in another important way: they meant that we could bring ourselves up-to-date quickly on import restrictions, surcharges, the licensing position and exchange controls in many areas. Sometimes it was a question of interpreting the regulations for us. We had appointments chiefly with officers from Latin America, South Africa, Australia, and the Middle East—areas in which import controls often operate.

"Though we did not go to Ottawa with the idea of branching out into new territory, we may soon make sales in one country untapped before. This is a direct result of the Conference. Our sales in regular markets have risen, but it is hard to say what influence the Conference had on this.

"One rather interesting indirect result came to my notice last summer. Our agent in Australia paid us a three-week visit, and became well acquainted with our plant and personnel. He told us that the Trade Commissioner had convinced him that such a visit would be worthwhile. We also had a visit from one of our customers in the Far East.

"We believe that the Conference proved valuable, even to an experienced firm like ours, and suggest that the Department consider repeating it, perhaps every two years." ●

Salt Sells in New Zealand

"WE didn't consider New Zealand a likely market for our salt. It's a long way off and besides, Australia is a salt producer. But after we talked to the Trade Commissioner from Wellington at the Export Trade Promotion Conference, we began to think about it seriously. We worked out shipping methods and costs and now we are selling there. In fact, we have had a new moisture-proof polyethylene bag printed specially for use in a New Zealand chain of food stores."

S. D. Salmon, traffic and export sales manager, Sifto Salt (1960) Limited, came to the Export Trade Promotion Conference with a group of executives from the Dominion Tar and Chemical Company and its subsidiaries, of which Sifto is one. They spent two days in Ottawa and talked to about twenty Trade Commissioners. As a result, Sifto wrote off some markets as currently impossible. But others were worth trying—New Zealand for one. Hong Kong was another: the Trade Commissioner provided information that has helped Sifto get started there and in spite of difficulties, Mr. Salmon is optimistic about future sales.

The Congo was also a possibility. The Trade Commissioner thought Sifto should be able to compete f.o.b. Halifax. Mr. Salmon found they could, although the volume of business is restricted by high transportation costs.

Sifto's successful sales efforts in the Caribbean were greatly helped by excellent co-operation from the Trade Commissioners in Port-of-Spain and Kingston, Mr. Salmon says. The company is now selling salt in Bermuda, St. Kitts (itself a salt producer), Montserrat, St. Lucia, St. Vincent, Barbados, Grenada, Jamaica and Trinidad (it supplies a supermarket chain there), and is negotiating in British Guiana.

Orders and inquiries from several Latin American countries are being worked on now, and these new cu tomers will get their Sifto salt a specially prepared, bilingu (Spanish and English) package.

Sifto Salt, a wholly Canadia owned and operated company, h developed these markets for its co sumer salt in little more than a yea previously it exported to only or country. The company also produc agricultural and industrial variet of salt at its four plants in Amher (Nova Scotia), Sarnia and Goderic (Ontario), and Unity (Saskatch wan). From its mine at Goderic it ships hundreds of thousands tons of rock salt to points in th central United States. ●

Food Broker Investigates Markets

"THE Trade Commissioner is al most indispensable to the sma exporter who cannot leave his offic to travel abroad and hasn't the sta to send in his place," says Stephe Nagy, Montreal food broker. "A the Export Trade Promotion Con ference I talked to 17 Trade Com missioners from posts around th world. Each of those half-hour visit gave me more information than year's correspondence could hav done."

Mr. Nagy knows the problems o the small exporter very well: his i a one-man business, except for th able assistance of his wife as offic manager. And he has experience to —forty years of it. Before leavin Hungary eleven years ago for Can ada, Mr. Nagy was active in th European grain and oilseed trade Today, he exports to Europe, th

Iiddle and Far East, Central and outh America, and the Caribbean. Ie also does some importing. mong the lines he handles are oya beans, dried yellow and green eas, beans, mustardseed, sunowerseed, peanuts and skim milk owder.

Mr. Nagy came to the Export rade Promotion Conference to disuss the situation in markets he new and to get information about rospective new outlets for his lines. Ie wanted to know how business as conducted in these countries, bout the financing and packing reuirements, and whether he could hip economically. He says the rade Commissioners were able to iswer most of his questions on the pot. He learned, for instance, that im milk powder shipped in the sual paper bag is not acceptable in ie Central American country hich insists on fibre drums; that ie paper bags must be enclosed in te bags for a Middle East market, id that an African country will not cept the powder unless it is icked in tins, although this is usuly the practice only for whole milk owder. He learned also which marts prefer skim milk powder preired by the low-heat process and hich by the high-heat process.

Immediately after the Conference, r. Nagy broke into the skim milk owder market in the Caribbean lands. In the past months he has so entered markets in the Middle ast and Central America. At esent, with the help of the Trade ommissioners, he expects to delop his business in Europe.

Mr. Nagy says the Department is helped him on a number of casions with problems in distant arkets that needed on-the-spot indling. He cites as an example e order he sent to a Latin Amerin country whose government imosed import restrictions on the mmodity while the ship was still sea. Without the help of the rade Commissioner, who pursued e matter for some three months, e shipment might still be in the ort warehouse. ●

Ten Countries in a Year

R. J. BOXER, president of Waldec of Canada Limited, came to the Export Trade Promotion Conference as a would-be exporter without a product to sell. But his company, a wholly Canadian one set up not long before, expected to be turning out wallpaper shortly and had plans for selling it in world markets. The problem: where to begin?

Because he felt that Commonwealth countries might provide the best sales opportunities, he asked for interviews with the Trade Commissioners from that area. Some of them, he discovered, could name immediately persons interested in locating a Canadian source of wallpaper. Others felt they could find agents for him without much difficulty. Mr. Boxer undertook to make up sample books of Waldec's prepasted wallpapers as soon as possible and to send them out to the hopeful markets.

Because his schedule of appointments at the Conference had certain gaps, it was suggested to Mr. Boxer that he see some of the Trade Commissioners from Western Europe, particularly those from Italy, Germany, the Netherlands, and other Common Market countries. One of these interviews brought results rather quickly. The Trade Commissioner did some market research, samples were dispatched, an agent selected, and recently a large order was shipped, even though competition was stiff.

"After talking to some of the men stationed in Europe, I decided that possibilities there were good," Mr. Boxer says. "So I wrote to the T.C.'s whom I had not met in Ottawa. This too brought results, especially in Belgium. Orders from other countries, such as Norway and Portugal, developed more slowly. Just a short time ago we had an inquiry from France." Waldec is also busy cultivating the market in Britain; it is taking space at the *Daily Mail* Ideal Home Exhibition in London in March, in co-operation with its British agent. New Zealand too has proved to be a good outlet. After the Conference ended, Waldec sent samples out to four leading importers in that country. Later the company obtained an agent and he in turn visited the Waldec plant in Canada a short while ago. Prospects are promising for continued sales.

"The Trade Commissioners whom I met at the Conference," says Mr. Boxer, "were particularly helpful in the selection of agents. They made the choices in an intelligent way and nearly all have worked out well. Soon I hope to do some travelling, meet these agents myself, and develop new business."

Waldec's score one year after the Conference: wallpaper sales in ten countries scattered across the world, and good prospects for exporting to at least ten more. ●

Boat-Builder Becomes Export Conscious

"WHAT we really want is a keen amateur who will act as our agent." The speaker, John Burn, was one of two young men who had launched a boat-building business in Oakville, Ontario, a few months back. The setting was the Export Trade Promotion Conference, and he was talking with one of the Trade Commissioners from Chicago.

In making this request, the young managing director of the business realized that he was practically demanding the impossible. But as a

new company Grampian Marine Limited simply could not afford to pay for the services of a big dealer. Mr. Burn gives the Trade Commissioners in several areas (Chicago and New Orleans, for example) full marks for coming up with exactly what he asked for.

Grampian Marine, as he explained to the men whom he interviewed at the Conference, makes fiberglass sailing boats; some with fiberglass hulls only, and some with both hulls and decks moulded from this material. Its production ranges from small dinghies to a 32-foot job that carries an impressive price tag.

When they started out, the partners in this enterprise meant to make their major sales effort in the domestic market. The visit to Ottawa last December and their subsequent success led them to change their minds. Now they are concentrating on exports and over half of their production goes to foreign markets.

The Conference also helped to steer their export efforts in the right direction. At the outset, John Burn made appointments mainly with the Trade Commissioners from South America. However, the company's product appeals largely to the middle class rather than the luxury market, and so far it has found the largest share of its export orders going to the United States. (They still keep in touch by correspondence with the South American posts and now intend to try their luck in Britain.) The Department's help in clarifying the U.S. tariff position for its products and making sure that they were classified correctly has proved invaluable.

In January, Grampian Marine will be exhibiting at the National Sporting Goods Association convention in Chicago and that same month will display two of its boats at the huge International Boat Show at Earls Court, London, England. Mr. Burn and his partner, Mr. Bisiker, will themselves go to London to staff the exhibit, explore the English market, and bone up on their competition. They feel confident that their boats have something "different" to offer and may have a special appeal for the boating fraternity in Britain and possibly in some European countries.

"The Conference made us thoroughly export conscious," says John Burn. "It changed our thinking about markets and gave us the push we needed to go after foreign customers. We knew practically nothing about the Department and its services when we went to Ottawa a year ago. We learned a lot—and we have put it to good use."●

EXPORT TRADE PROMOTION CONFERENCE

Electrical Firm Studies Markets

WHEN A. D. Burford, export manager of Amalgamated Electric Corporation Limited, came down to the Export Trade Promotion Conference, he did not expect that in three days he could line up prospects for immediate sales. Only about three months earlier Amalgamated had set up an export department; before that, sales (mainly to the West Indies) had been handled by the domestic sales department. And the products that the company makes—equipment for the internal distribution of domestic power and also for commercial, industrial and exterior lighting—can't be sold as quickly as soap or fishing rods. It may take months of investigation and effort.

But the Conference did come at a strategic moment for them. The firm had decided on an orderly, step-by-step export campaign, concentrating on one area at a time. Its representatives came to Otta in the hope that the Trade Co missioners could help them w preliminary investigation and ma ket research. Their appointmen with some 25 Trade Commissione chiefly from the United States a the Caribbean, were made with th objective in mind.

Mr. Burford has no doubts abo the value of the contacts he esta lished with the Department's office at home and overseas. The help t Trade Commissioners could gi him on the spot was limited, but has continued to correspond with 5 to 65 per cent of those with who he talked. And he adds, "Lette have more meaning when you ha been able to say hello to the ma you're writing to." He has also r newed his acquaintance with man of them through sales trips to the territories. In these two ways, he ha been able to decide where to direc Amalgamated's sales effort for be results, and has set about establish ing a distribution system.

His interviews at the Conferenc proved helpful in another way—i getting advice on and assistance wit the peculiar problems of exportin electrical equipment. Before it ca be sold in a foreign country, th would-be exporter needs certai fundamental information: the volt age that is used, the standards ap plied to electrical equipment, th local inspection authorities and how to approach them, tariffs, and an import restrictions that might affec sales. Some of this information th Trade Commissioners and the Com modity Officers were able to giv him forthwith. Other problems the carried back with them and pro vided the answers later. Those answers when they came were clearer and more helpful, Mr. Burford believes, because he could explain personally just what he was seeking.

One piece of advice that he received he has already acted upon —providing c.i.f. prices in local currency in the export catalogues of Amalgamated equipment. In setting these prices, the company

as studied both U.S. and British rices for comparable equipment nd the price level in each territory.

With active distributors in many f the markets they decided to explore, with direct mail campaigns nder way in some of them, and ith plans lined up for orderly exansion of export sales in the next vo years, Mr. Burford feels that his ompany has already profited from ne time spent in Ottawa last ecember. ●

il Furnaces or Australia

MONG the companies which the rade Commissioner from Melburne interviewed at the Export rade Promotion Conference was laxwell Limited of St. Mary's, ntario, manufacturers of Marhand oil-heating equipment. About ree months later this interview ad interesting results—and in a ther unusual way.

One evening in March the Assistnt Trade Commissioner in Melburne was chatting with the sales ngineer for an Australian comany. The Trade Commissioner's ndlord had recently signed a ontract with this company for the stallation of an oil furnace and is was the basis of the conversaon. As they chatted, the Canadian called and mentioned to his comanion the St. Mary's firm with mbitions to sell its Marchand rnaces in Australia. Impressed ith the possibilities after further vestigation, the young engineer hanged jobs and began negotiating r the Marchand agency, with the rong backing of one of the Ausalian oil companies. The Melbourne office of the Trade Commissioner Service recommended the firm to Maxwell and the deal was concluded.

Shortly after the arrangements were completed, Maxwell sent one furnace to Australia by air freight and this furnace was tested and won approval. Since then the company has shipped some 42 furnaces to Australia and by the end of October 1961, 27 had been installed in the Melbourne metropolitan area and three in Canberra, where the agent had appointed two distributors. He expects soon to have a distributor in Sydney as well and to double the business in furnaces next year. The last winter, when the furnaces were first put on the market, proved to be one of the mildest in fifty years in the Melbourne area and in addition, the heating season was almost over before they were put to work. None of the furnaces has so far been installed with ducts but this step may be taken in the new selling season. ●

Distillers Make Personal Contacts

"IT'S a personal thing with me—I find it more satisfactory to do business with someone I know, easier to compose a letter when I can visualize the face of the man I'm writing to. The Export Trade Promotion Conference gave me an opportunity to meet many of the Trade Commissioners I did not know; I always see those who come to Montreal, and I visit the Department in Ottawa several times a year."

E. F. P. Singleton, import-export sales manager with H. Corby Distillery Limited, spent several days at the Conference, accompanied by the general sales manager of his company. They had already been corresponding with some of the Trade Commissioners about new markets they hoped to develop and were able to clear up a number of points quickly in across-the-desk talks.

For many years Corby and its subsidiary, Wiser's, concentrated on the domestic market, Mr. Singleton says. They began to export seriously only six or seven years ago. Theirs is a luxury product and it takes time to build up substantial markets. During the past year they have arranged trial shipments to countries in Europe, Australasia, the Far East and Latin America. In all these markets the Trade Commissioners have been able to help the company with some of the intricacies of exporting by:

- obtaining a listing with the single monopoly in one country
- helping the company to change agencies (it can be more difficult to change agencies than to arrange for one initially)
- finding desirable sales distributors
- assisting in handling the sometimes lengthy negotiations involved in obtaining an import licence.

An example of beyond-the-call-of-duty assistance with which one Trade Commissioner earned Corby's astonished thanks involved its agent in a Latin American country. Mr. Singleton says the agent became *persona non grata* with his government through no fault of his own but because of his family connections. Because the customer was a government agency, Corby's was in danger of losing the business. The Trade Commissioner, on his own initiative, convinced the government agency that orders could be given directly to him, and so the market was saved and the blameless agent retained until a better day. ●

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The months since the Export Trade Promotion Conference ended have seen the provinces enlisted in the effort to step up business both at home and abroad. How and why was this co-operative venture planned and what has it achieved?

We Go to the Provinces

Question time begins during the external trade session at a provinc conference. (Left to right): H. J. Horne, Consul and Trade Commission Chicago; B. I. Rankin, Deputy Consul General (Commercial), New Yo H. L. Brown, Assistant Deputy Minister (External Trade Promotio Department of Trade and Commerce, Ottawa, and (standing and readi over the questions submitted) James A. Roberts, Deputy Minister.

F. J. Lyle (left), director, Industrial Development Branch of the Onta Department of Commerce and Development, gives the opening addr at the trade conference held recently in Kingston. On his left: Jan Roberts, Deputy Minister, Department of Trade and Commerce, a R. McBurney, Technical Information Service, National Research Coun

Left) Ready for the external trade session at Kingston are: (front row, left to right) R. H. Stapleford, Denis Harvey, Hugh litken, V. L. Chapin. (Back row): J. A. Roberts, Hon. George Hees, W. J. Millyard, H. J. Horne, B. I. Rankin, and H. L. rown. (Right) At the domestic commerce session (front row, left to right): F. J. Lyle, R. McBurney, C. J. Lochnan, Brian rmishaw. (Back row, left to right): J. A. Roberts, G. A. Browne, Hon. George Hees, B. J. Barrow, J. J. McKennirey.

/HERE do we go from here? /hat should the next step be? Once he success of the Export Trade romotion Conference was assured, ese questions began to tease the inds of senior officials in the De- artment of Trade and Commerce. efore the Ottawa Conference nded, the Minister himself had me up with an idea for spreading e export gospel further and was itiating action on it. His plan was co-operate in various ways with e provincial governments in fur- ering export trade, as we were ready co-operating with them in vancing industrial development. arly in December, Mr. Hees wrote the Ministers in each province rectly concerned with the promo- n of trade and of industrial pansion, suggesting meetings to scuss the matter. The response as good and the Department set work to do further planning.

One of the major methods of co- eration between the federal and ovincial trade ministries that was bsequently worked out was a ries of one-day conferences de- ted to ways and means of expanding both domestic commerce and foreign trade. The first conference was held in Winnipeg on February 9. Since then, these cities have been the setting for similar ones:

Location	Date	Attendance
Calgary, Alberta	May 16	253
Vancouver, B.C.	May 18	228
London, Ontario	May 25	195
Charlottetown, P.E.I.	October 18	104
Halifax, N.S.	October 20	222
Saint John, N.B.	October 23	149
Kingston, Ontario	November 7	281
Regina, Sask.	November 14	179
Toronto, Ontario	November 21	951

On the program for December 13 is a conference at St. John's, Newfoundland, and in February, one will be held in Montreal. By then, each of the ten provinces will have been covered. At all these conferences the attendance has been excellent; it has ranged from 104 at Charlottetown to 951 in Toronto.

Tryout in Manitoba

The first conference, at Winnipeg in February, was something of an experiment. Some 640 businessmen accepted the invitation of the provincial Ministry of Industry and Commerce to attend a luncheon. At this luncheon, the Hon. George Hees spoke on the need for and the value of greater export trade. About 200 businessmen then stayed on to put questions to senior officials of the federal Department of Trade and Commerce for an hour and a half. This tryout in Manitoba demonstrated the acceptability and value of a conference of this type and the project was worked out in greater detail. Out of this study came plans for the meetings at Calgary, London and Vancouver, plus a useful program and a simple method of procedure. After the summer lull, the Maritimes became the locale of a new series, followed by further ones in Ontario.

These trade promotion conferences have proved to be an excellent method of federal-provincial co-operation. Each one is sponsored by two governments and each serves two purposes—one, the promotion of domestic and overseas trade and two, the furthering of industrial development. As Mr. Hees put it, "We [the federal department and

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the provinces] already co-operate closely in the field of industrial development. It is most desirable that we should explore every avenue leading to the co-operative development of markets at home and abroad, and in the establishment of new industries. In this way, I am hopeful we will build together a firmer foundation for a balanced economy and provide greater employment opportunities for Canadians."

Responsibility Divided

How is the responsibility for these conferences shared? The local organization is done by the province, usually with the help of the Boards of Trade or Chambers of Commerce, and, in some cases, the local branch of the Canadian Manufacturers' Association. The part that each plays varies, but among them they provide the audience and look after most of the physical arrangements for the production. They send out invitations to businessmen, particularly those in the primary and secondary industries, arrange for advance publicity, obtain a suitable meeting-place, handle the registration, and print the program.

The Department of Trade and Commerce in Ottawa puts on the show. Each conference is attended by the Minister and the Deputy Minister, with a team of senior officers. From time to time, as appropriate, provincial officials also participate in the program.

Each conference customarily begins with an opening speech by a provincial dignitary, such as a Minister or his deputy, who chairs the opening session. He then introduces the Minister of Trade and Commerce who speaks briefly. Directly afterwards, the meeting is turned over to the Deputy Minister of Trade and Commerce, Mr. Roberts. When the morning session is devoted to domestic commerce, Mr. Roberts has beside him on the platform officials engaged in that phase of the Department's work as he outlines these "domestic commerce services". Some of them, such as industrial promotion and industrial standards, have been carried on for years. Others are quite new—such as assistance to small business, including guaranteed bank loans for small business enterprises; accelerated capital-cost allowances available for assets to produce new products, and the promotion of goo[d] industrial design as a factor in th[e] competitiveness of Canadian pro[d]ucts.

What They Ask

What types of questions are put to the panellists at a typica[l] provincial trade promotion conference? Here is a sampling

External Trade

1. How is Canadian content calculated for present tariffs on exports to Commonwealth countries?

2. How is the value for duty established on goods enterin[g] the United States?

3. Approximately what proportion of Canadian export sales are made on irrevocable letter of credit terms, and should an exporter always begin on such payment terms?

4. How can small business enter the export field? Is it very difficult to learn all of the necessary documentation, forms, insurance, etc., let alone financing a sales force to develop possible markets?

5. Do our Trade Commissioners give information as to the creditworthiness of prospective customers in other countries?

6. Do export firms quote their factory prices or their delivered prices? How do they determine the latter?

7. Will the entry of the U.K. into EEC discourage the use of Canadian basic materials by British firms which are exporting to other countries?

Domestic Commerce

1. Is there any advantage in claiming the Special Capital Cost Allowance in any other than the first year?

2. Will the National Design Branch be able to assist a manufacturer with a specific design problem that he is encountering?

3. Are federal standards mandatory?

4. What are the specific ways in which the Small Business Branch can help me in the matter of management education

5. What procedure would the Industrial Promotion Bran[ch] recommend that Canadian companies follow in looking for new products to manufacture?

Lively Question Period

Following this brief outline, ea[ch] official on the platform panel h

five minutes to make a clear and succinct statement about the work of his branch. This part of the program lasts about half an hour and is followed by a coffee break, during which everyone relaxes and gets ready for what is to come. The rest of the session is given over to answering written questions from the floor, fully and freely. Sometimes the Minister himself answers the questions, especially if they have political overtones. Invariably, question time is lively—it even impressed one hard-headed reporter who was at the Vancouver conference. He wrote that those who attended "were treated to brief, lucid explanations of the Department's activities, and then invited to take part in a no-holds-barred question-and-answer session". If a question were not answered to Mr. Roberts' satisfaction, the reporter went on, the panellist "would be prodded with supplementary questions until there was no doubt that the original questioner had all the information he could possibly be seeking."

For the other half of the day, external trade is in the spotlight. In introducing this session, Mr. Roberts discusses the work of the Commodity Branches, of the International Trade Relations Branch, and of the Trade Commissioner Service. He also speaks about the value of exhibiting at trade fairs abroad and of the new program of trade promotion overseas. Brief speeches by the panellists and the usual question period follow.

In addition to the Department officials from Ottawa, two or three Trade Commissioners posted outside Canada are usually present. Normally they are serving in those parts of the United States near the locale of the conference, such as Chicago, Detroit or New York. In the Maritime Provinces series, three Trade Commissioners joined the group—the Minister (Commercial) from London, the Deputy Consul General (Commercial) from New York, and the Commercial Counsellor in Port-of-Spain, Trinidad. Each of the Trade Commissioners has a few moments to speak about trade prospects in his territory; he also answers questions on his work.

What They Achieve

What have the conferences accomplished? From the beginning, it was clear that Canadian businessmen who attended became thoroughly aware of the services that the Department offers to them, the extent of which many firms had not realized. The flood of expressions of approval and appreciation that the Department has received has encouraged the continuation of the conferences and the improvement of the program as experience suggests. Through these conferences the Department carries its story to businessmen across Canada and encourages them to make greater efforts both at home and abroad.

The interchange of information and ideas benefits not only the business community and the provincial departments of trade and industry but also the Department here in Ottawa. Through the conference experience and the contacts made at each one, the Department of Trade and Commerce has become better acquainted with the domestic and external trade problems of the provinces and how they differ from province to province.

In the words of the Minister, the provincial trade promotion conference "is one of several methods in which we . . . co-operate with the provincial governments to promote export trade. It presents an opportunity for government, at the federal and provincial level, to work together with industry and business . . . to make a significant contribution not only to the economy of the province, but, as well, to the national interest."

One of the senior officials who has attended all of these conferences spoke for the Trade and Commerce team. "These conferences," he said, "mean a loaded desk when you get back to Ottawa. But they are stimulating and all of us who take part agree on one thing—they are certainly worthwhile." ●

Hard Maple Scores

AUSTRALIAN imports of hard maple have jumped 300 per cent this year to meet the growing demands of the ten-pin bowling industry. In a market where Canadian maple is underpriced some 10-30 per cent by competitive local hardwoods and finds limited acceptance for traditional use as flooring, the current bowling boom with its requirements for specialty woods may chalk up a few strikes for Canadian suppliers.

Introduced recently by two U.S. giants—American Machine and Foundry and the Brunswick Corporation—there are now eight bowling centres in Sydney, with others in Melbourne, Brisbane, Adelaide, Newcastle and Wollongong. The number is expected to more than double within three years, according to forecasts of local promoters.

The new centres range in cost from $420,000 for the standard 24-lane alley with automatic pinsetters to $1.4 million for a projected 52-lane centre, complete with restaurant, swimming pool and motel. Another feature is the "minding station" where young mothers can leave their children during a bowling day that starts at nine in the morning and ends its frantic activity at midnight.

In the construction of these centres, imported hard maple is the only known hardwood resilient enough to withstand the heavy wear of the big bowling balls and at the same time give the necessary smooth surface for unhindered delivery. It is used for the bedstock at the delivery and pit ends of the bowling lanes and also for the approaches. Locally grown hardwoods are used for the middle of the lane, known as the rolling area. Of the 41,000 lineal feet required for the standard lane, the proportion of imported maple to local hardwood is approximately fifty-fifty.

Hard white maple is purchased through the American companies' head offices in the United States. Cut on the eastern coasts of Canada and the U.S., it is shipped in random lengths varying from three to 16 feet and widths from four to 18 inches in metal-strapped bundles of 1,000 square feet. The rough-sawn lumber (which pays a British preferential rate of 6/- per 100 superficial feet as opposed to 22/- per 100 superficial feet for finished flooring) is pre-kiln-dried to between 20-30 per cent moisture content. Upon arrival it is dried by local timber merchants to a content of 8-10 per cent before final dressing and milling.

—EDMUND E. PRICE, *Assistant Commercial Secretary, Sydney.*

Why and how you should

Exhibit at U.S. Trade Fairs

Don't overlook this valuable aid to selling in the U.S. market.

Do get the best possible return from your effort and money by carefully planning your participation, your exhibit, and your publicity, and by making the most of your time at the fair.

DAVID A. HILTON, *Vice Consul and Assistant Trade Commissioner, Chicago.*

IT may be at the Coliseum in New York, at McCormick Place in Chicago, the Memorial Arena in Los Angeles, Cobo Hall in Detroit or in any of a hundred places in the country—somewhere in the United States a major trade show is operating today. The Canadian exporter who does not display his goods in these shows is missing a great opportunity for quick market penetration and immediate sales.

To the U.S. buyer, national trade shows are of prime importance. The bigger and better known shows can attract over 50,000 buyers (even at a small show there will be 400), and the important thing to remember is that they come to do business. The U.S. manufacturer knows this and in many instances his company's sales program is planned around an important trade fair.

The Vertical Fair

Trade fairs can be of many different types. The U.S. shows that are of most interest to the Canadian exporter are those confined to exhibits in one particular industry and generally closed to the public. These are known as "vertical" trade fairs. Many of these shows are held annually, sometimes in the same place year after year, but more often they rotate among the major cities in the United States. In some lines the shows are held less frequently: the machine tool industry, for instance, holds only one national show every five years. But in boats and housewares, for example, there are three or four national shows in each twelve-month period that are "musts".

Besides the national shows, there are a number of smaller regional shows covering a specific market area that are well known for their excellent management and the business opportunities they provide.

Many vertical trade shows are sponsored by associations of members in the trade and a permanent organization within the association plans and operates the show. This group sets the date and location of the fair and handles the booking of space, usually giving first preference to previous exhibitors and association members. Most groups of this type have some requirements, such as that first-time exhibitors must take out associate memberships in the association. Sometimes the show management will want a list of the products a new applicant intends to exhibit before renting him space.

A few organizations will not allow foreign exhibitors in their shows (usually this rule doesn't apply to Canadian firms). In many instances where this has happened, private organizations have stepped in and produced independent shows open to imported goods, often held concurrently with the association show in a hotel or some other location in the trade-fair city. Private firms also organize trade fairs in lines that have no industry association. But no matter who is the organizer or sponsor, the operation of a vertical trade show follows a set pattern.

A vertical trade show is a big, busy, competitive marketplace. To get the most out of it, the Canadian exhibitor should plan his operations step by step. This article will try to point out some of the things that he should consider to ensure his success.

Which Show, What Space?

First comes the selection of the proper show and the renting of suitable space. The eight Trade Commissioner offices in the United States can give you a list of the upcoming shows in their areas and a report on their suitability. The Canadian Government's active participation in U.S. vertical trade fairs has given the Trade Commissioners in the United States a good background on the shortcuts to success (and the pitfalls) in trade fair participation. The Trade Fairs Abroad Division and the Commodity Officers in the Department of Trade and Commerce receive reports on most U.S. trade shows and can also give the exporter some guidance.

Remember to plan ahead; some leading shows are completely sold out a year ahead. In almost all instances, space is booked for first-time exhibitors four to six months ahead of the opening. If space is available, the show management

vill send you a floor plan and back-round information on the fair. The lan shows the location of available ooths and their cost (as mentioned efore, previous exhibitors have first hoice), the entrances to the build-ng, the rest areas and exits to ashrooms. Large block spaces on floor plan usually indicate an rea reserved year after year by leading manufacturer. They are ften key spots, even though at first ght they may seem to be out of ne central traffic movement. In icking your location, watch out for ooths located in dead ends or out f the main traffic flow. Be es-ecially dubious about exhibit space hat opens up at the last minute.

lanning Your Exhibit

Once you have your show se-cted and the space rented, start lanning your exhibit. Your con-act will list the management's egulations on height, flashing lights, flammable materials and so forth. n the large U.S. cities you can con-act for the design and the building f your exhibit with an outside firm. he total cost, of course, is predi-ated on just how elaborate a stand ou wish to use. Minimum cost in hicago for a locally designed and uilt 8- by 10-foot stand is about 550. This will give you a basic esign without too many frills or xtras.

If you're planning to re-use the xhibit in other trade shows, or in static display in your factory or ales office, keep in mind that you'll ant it designed so that it can asily be broken down and packed. eave room in your exhibit area for table and a couple of chairs so at you can sit down with prospec-ve customers. You'll also need a ttle storage space for advertising aterial and price lists that you plan distribute during the show.

Try to get a simple design that an be erected quickly and easily, ecause labour rates are high. Some xhibit halls have contracts with raft unions, but carpenters' rates an be as much as $15 an hour for last-minute work on the evening before the show opens. If you are shipping your display from Canada, try to include everything you may need to erect it, even hand tools. If you need local labour to assemble your exhibit, you should reserve it well in advance of the arrival of the shipment.

Bright lighting enhances your display and makes it stand out from the neighbouring booths. At most fairs, spot and floodlights can be rented, but it saves money if you bring them with you. At the vertical trade fairs held in Chicago hotels, floodlights are rented at a flat fee of $12 for the show.

In addition to lighting, make sure that the other facilities you have contracted for in your exhibit space are there and working. This includes heavy wiring for operating machinery, water if needed, and a telephone outlet. In exhibit halls a telephone outlet is usually optional, but for the cost involved ($10 to $20) you will find it well worthwhile. A telephone at your booth means you can do follow-up, make appointments for outside calls, and get the last-minute things you find you need after the show opens without disturbing your manning schedule.

Shipping from Canada

If you're building your exhibit in Canada, double check on your shipping arrangements. There is a very narrow margin between the date up to which the show management will accept your delivery and the opening hour of the show.

Customs clearance presents no problems. As show material, your exhibit enters the United States duty-free if it is shipped in bond. At the end of the show, a customs officer will give you clearance and the entire exhibit can be freighted back to Canada. One thing to keep in mind is that if your exhibit does enter the United States in bond, you cannot sell samples off your stand and the customs official who clears your entrance will check to see that all samples that entered are being returned to Canada. If you plan to give away samples, you should send them as a normal commercial shipment and pay duty on them when they enter the U.S. A freight-forwarding firm or express agency will be able to arrange customs clearance, but the cardinal rule is to have someone from your firm on hand to handle any last-minute snags if they develop.

Make Your Exhibit Pay

Perhaps the simplest way of attracting attention to your display is to have something in it that moves. If you are showing machinery and appliances, have them operating or capable of being operated. Novelty moving display cards can be effective, and so are automatic slide projectors showing your product and factory. Some exhibitors use give-aways; usually a contestant has to fill out an entry blank that provides the exhibitor with a check on attendance after the show closes. Many firms hand out merchandising gimmicks or samples.

Not as common but seen at most shows is the practice of hiring models to display the products. Girls with experience in this work can be hired from local agencies; in Chicago the fee is usually about $65 a day. If you do use a model, make sure she understands your product and can talk about it intelligently.

Most important, see that your booth is manned at all times. Taking part in a trade show requires long hours and hard work but your effort is worthless if you have an empty stand during show hours. Registered buyers can usually be identified by a distinctive coloured badge. Make sure your sales staff knows the colour code so that they can discriminate between other exhibitors, buyers, and sightseers. If you have sales calls to make in the city in conjunction with your participation, arrange them for after the show closes. If the buyer is important, chances are he will be at the show most of the time it is open.

In most shows, the heaviest attendance is on opening day and you want to have your exhibit erected and ready to do business the moment the doors open. And be prepared to do business right down to the closing hour on the last day. No matter how tired you are or how anxious to get back home remember that, even if last-day attendance is light, many buyers go through a show four or five times before placing their orders. You are throwing business away if you start late or close early.

Publicity Is Important

Just as important as a well designed and operated exhibit is well planned publicity before and during the show. Many firms mail to prospective buyers invitations to visit their display. One Canadian firm did a series of mailings from its plant in Canada informing the U.S. trade of its participation for the first time in a U.S. show and outlining its product lines. This was followed by an invitation to U.S. buyers from the president of the company. The personal invitations worked wonders.

Most shows give exhibitors a number of passes (usually distributed on the basis of the amount of space rented) three or four weeks before the opening. These can be exchanged for free registration at the show. Since there is usually a fee for buyers' registration at vertical shows, the passes serve as valuable come-ons in attracting the right people to your display.

You should also consider advertising in trade publications. If the show is sponsored by an organization, the management will probably be publishers of a trade magazine and will produce a special show issue. As most of these special issues give lists of exhibitors and describe the day-to-day activities, they are circulated widely among the buyers who plan to attend the trade fair. At larger fairs, either the sponsoring organization or an independent publisher circulates each day a paper that covers the activities and usually has write-ups on interesting exhibits and notes on new products being shown. A small ad in these dailies often pays off in editorial coverage of your firm and its display.

Generally speaking, advertising can be handled from your Canadian office before the show opens. If you are planning a full-scale advertising campaign in conjunction with your trade-fair participation, you might consider hiring a locally based public relations firm. The minimum fee in Chicago runs to about $750, but if you have a product that needs promotion before public acceptance, the expenditure can be worthwhile. A public relations firm, with its knowledge of the local market, can assist in arranging news coverage in the daily press and on radio and can arrange for free publicity in the trade papers and other media. If you plan to entertain any of the visiting buyers formally, a public relations firm can handle arrangements for a reception or cocktail party.

Some Final Points . . .

• Leave yourself time while the show is open to go around and see what the competition is offering and how they are selling. And while you are checking the competition's lines, don't overlook them as potential customers. It's surprising how much business is done between exhibitors at large fairs.

• If you are entering the U.S. market for the first time and are looking for a representative, put up a sign in your exhibit announcing the fact. At any show, reputable manufacturers' representatives will be scouting the exhibits for new lines. In fact, a trade show is probably one of the easiest ways to line up representation for your product in the United States.

• If you already have a local agent, work with him before the show and have him on your stand. If he is the kind of agent you need, by the time the show opens he should be able to give you a list of all his contacts who will attend.

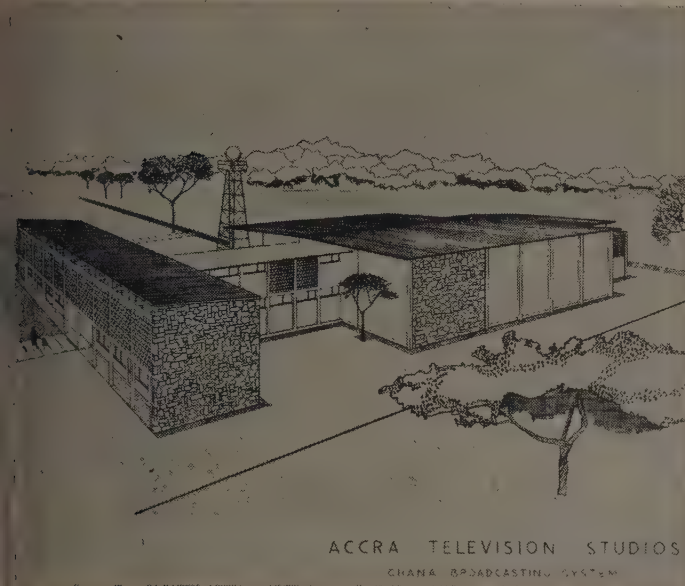
• Remember that a vertical trac show is a place of business, not country fair, and that you hav come to it to sell. You may get valuable introduction to the U.S market by participating but you re ceive no return on your money un less you make sales. Be in a positic to quote on all the lines you dis play; be able to quote duty an freight paid to the show locatio Have some knowledge of shippin facilities from your plant or ware house to various U.S. points. G after the small orders as well as th big ones. Many buyers will be com mitted to former lines before th show opens but will place tria orders with new firms to test the lines. The cardinal rule is: th buyers are there, sell them.

• After the show closes, don't for get to follow up on the contact made and the sales leads uncoverec If you promised a buyer furthe information on your line, get it i the mail as soon as possible. Mos shows provide exhibitors with copie of the buyers' registration lists These are valuable as mailing list for future participation in show and as a check on the ones you sav and those you missed during th show. The little extra effort afte a show pays dividends.

A vertical trade show is a centra marketplace. The majority of manu facturers in any given industry ar going to have their products on dis play—probably the only time in year that they can be found in on location. This presents an oppor tunity for the Canadian manufac turer looking for new lines to pro duce under licence, as well as fo the exporter. A visit to a U.S. trad fair can introduce the manufacture to the smaller U.S. firms that hav a Canadian market but are not in a position to finance a subsidiar operation.

If you are planning to enter U.S. trade fair, write to the Trad Commissioner in that area. He ca and will be glad to help you. •

In Ghana—This is the Accra headquarters of a 14-station television system designed in all its phases by a Canadian firm of consulting engineers. Tenders are now being called.

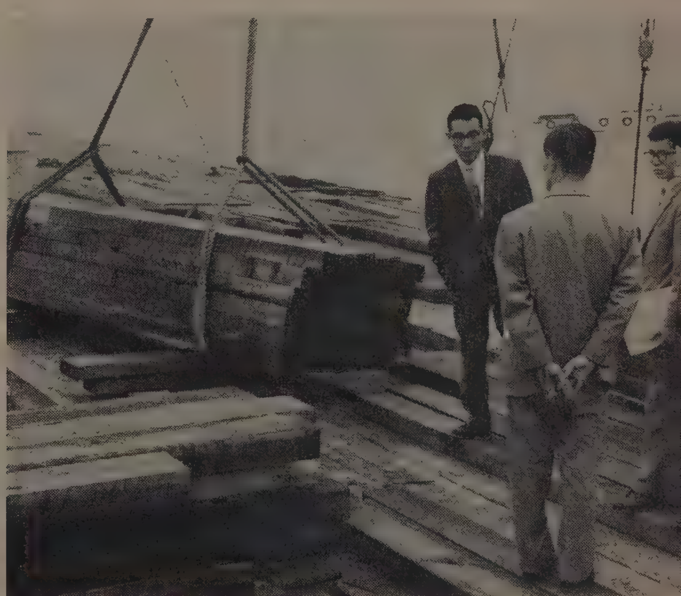


In United States—The owner of this Canadian-made, 32-foot ketch ties her up in Rochester, New York. Deck and hull were each moulded of fiberglass by an Ontario boat-builder.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Cuba—At Los Pinos in Pinar del Rio, a Cuban ranch hand leads a Canadian bull recently imported as breeding stock.



In Japan—Japanese importers watch from the docks at Yokohama as a full cargo of Canadian baby squares are unloaded.

Canada's Trade in the First Half of 1961

WILLIAM G. STARK, *External Trade Section, Dominion Bureau of Statistics.*

From January-June 1961, Canada . . .

- **Pushed exports up to $2.67 billion, the highest figure ever for the first half of the year.**
- **Increased shipments to Latin America almost 50 per cent, to Europe nearly 20 per cent, and to other areas 63 per cent over January-June last year.**
- **Sold 50 per cent more wheat than in the same period of last year, with Britain, Japan, Communist China and West Germany the principal buyers.**
- **Decreased its imports by 1.2 per cent, to $2.77 billion, compared with $2.8 billion last year.**
- **Imported 2.7 per cent less from the United States and 1 per cent more from Britain during this period.**
- **Had an import trade balance for the first six months of $99 million, less than half that of January-June 1960.**

THE value of Canadian foreign trade for the first six months of 1961 reached a new high of $5,444 million, a fractional increase over total trade for the first half of last year. Total exports were the highest registered for any first six-month period. At $2,673 million, they were up 2.7 per cent over January-June 1960 and were composed of $2,606 million of domestic exports and $67 million of re-exports. Imports, at $2,771 million, were 1.2 per cent below the corresponding figure in 1960 and 2.5 per cent less than the record amount reached in the first half of 1957. The import trade balance for the first six months of this year, at $99 million, was less than half that in January-June 1960.

Domestic exports in the first quarter of this year were 2.5 per cent less than in the first quarter of 1960, but in the second quarter advanced 7.7 per cent over those in the same three months of last year, resulting in a net gain of 2.6 per cent for the first half of 1961. Following an increase in January, exports fell sharply in February, recovered in March, and from April on were higher than in the corresponding months of the preceding year, except for a modest setback in May. Imports in the first quarter were 3.0 per cent below the same period of last year and were lower in every month but January. April imports were also considerably less than those of last year but a trend of monthly percentage increases began in May. Second-quarter advances, however, were not sufficient to cancel out the declines in the first quarter and imports for the first six months went down slightly.

The average level of export prices remained relatively unchanged during the first six months of 1961, so that virtually all of the rise in value resulted from the increase in the physical volume of exports. Because the average level of import prices advanced moderately, the drop in the physical volume of imports was somewhat greater than the decline in their value. The terms of trade deteriorated slightly. Table I gives summary statistics of Canadian trade in the last two-and-a-half years, indexes of price and volume, and percentage changes in the first halves of '59, '60 and '61.

Direction of Trade

The direction of trade changed considerably, with smaller shares of exports going to the United States and the Commonwealth and larger shares to foreign overseas markets. During the first half of this year, 53.1 per cent of domestic exports went to the United States compared with 58.3 per cent in the same period of 1960. The share taken by Britain declined fractionally to 16.3 per cent for January-June 1961 and by the rest of the Commonweath to 6.0 per cent. The proportion going to other countries, however, rose to 24.6 per cent from 18.6. A larger part of exports to this last group, 11.2 per cent, was destined to Western Europe, mainly because of increased shipments to the Federal Republic of Germany and to Italy. The proportion for Asia advanced to 6.6 per

ent, principally because of greater sales to Japan and Communist China. Both South and Central America obtained larger shares of Canadian goods, with Mexico, Cuba, Brazil and Argentina increasing their purchases substantially in the first six months of the year.

The proportions of imports derived from the principal trading areas, with the exception of a smaller share supplied by the United States, showed only fractional variations from those for the first half of last year. The United States sent 68.0 per cent of all imports compared with 69.1 per cent in January-June 1960. Britain forwarded 11.3 per cent, other Commonwealth countries 4.7 per cent, and the remaining countries 16.0 per cent. Of imports in this last group, 6.4 per cent came from Western Europe, 4.7 per cent from South America, and 2.0 per cent from Asia.

Table II records the movement in absolute terms of total exports to and imports from the main regions, together with percentages of increases and decreases between the first halves of 1960 and 1961. The reader will note that the most significant changes were in exports to foreign overseas markets: shipments to Europe rose nearly 20 per cent, to Latin American almost 50 per cent, and to other areas by 63 per cent.

Commodity Changes

Table III lists the twenty principal commodities in both Canada's export and import trade during the first half of 1961, together with comparative figures for the same period in 1960, and also the percentage of increase or decrease. The commodities are ranked in descending order of value.

Among exports, the largest absolute and relative increase was in wheat, which rose over 50 per cent. Shipments to Britain, our principal wheat market, declined nearly a tenth, but to Japan, our second customer, they rose by one quarter. Communist China came third, with substantial purchases, followed by West Germany and the U.S.S.R. Exports of nickel, crude petroleum, non-farm machinery and seeds increased considerably. Aluminum, uranium, copper and iron ore dropped substantially.

The chief gains in imports in the first six months of 1961 were in aircraft and parts, which more than doubled, and in engines and boilers, (including aircraft engines) which rose by more than one fourth. Crude petroleum arrivals increased by one tenth. Declines were particularly noticeable in automobiles, which decreased by one third, and automobile parts, one eighth less. Rolling mill products dropped substantially and arrivals of non-farm machinery and rubber products were significantly less.

Trade with the United States

Domestic exports to the United States for the first six months of this year, at $1,383 million, declined nearly 7 per cent from those in the same period of the preceding year. Newsprint and wood pulp, the two main commodities, advanced fractionally but lumber shipments fell by 6 per cent. Uranium ores and concentrates declined nearly a quarter but crude petroleum rose over 30 per cent. Farm machinery exports were some 8 per cent less and shipments of copper, zinc, iron ore, rolling mill products and cattle showed sizable declines. Nickel, non-farm machinery and aircraft showed gains.

Imports from the United States were 2.7 per cent less and were valued at $1,885 million. Non-farm machinery and automobile parts, the two leading commodities, dropped over 7 per cent and 12 per cent respectively. Farm implements rose, and electrical apparatus

Table I

Summary Statistics of Canadian Trade

	1959		1960		1961	Change	
						1st half '59 to 1st half '60	1st half '60 to 1st half '61
	1st half	2nd half	1st half	2nd half	1st half		
			$'000,000			%	
LUE OF TRADE							
tal exports	2,401.3	2,739.0	2,602.2	2,793.1	2,672.6	+8.4	+2.7
Domes. exports	2,344.6	2,677.1	2,540.0	2,724.1	2,606.0	+8.3	+2.6
Re-exports	56.7	61.9	62.2	69.0	66.6	....	....
ports	2,753.4	2,755.5	2,805.6	2,686.7	2,771.3	+1.9	−1.2
al trade	5,154.7	5,494.6	5,407.8	5,479.8	5,444.0	+4.9	+0.7
de balance	−352.1	−16.5	−203.4	+106.3	−98.7	....	....
ICE INDEXES				1948=100			
mestic exports	122.5	123.1	123.2	123.2	123.3	+0.6	+0.1
ports	115.1	113.9	115.8	116.7	118.2	+0.6	+2.1
ms of trade	106.4	108.1	106.4	105.6	104.3	0.0	−2.0
LUME INDEXES				1948=100			
mestic exports	125.6	142.8	135.3	145.0	138.7	+7.7	+2.5
ports	182.7	184.4	185.1	175.8	179.1	+1.3	−3.2

Table II

Direction of Canadian Trade

Area	January-June 1960	1961	Change
	$'000,000		%
TOTAL EXPORTS			
United States	1,534.1	1,435.2	− 6.4
Britain	436.3	430.7	− 1.3
Other Commonwealth & Ireland	157.5	163.7	+ 3.9
Other Europe	275.1	328.7	+19.5
Latin America	75.6	112.8	+49.3
Other countries	123.7	201.5	+63.0
IMPORTS			
United States	1,938.0	1,885.3	− 2.7
Britain	310.5	313.7	+ 1.0
Other Commonwealth & Ireland	126.5	129.9	+ 2.7
Other Europe	179.1	182.5	+ 1.9
Latin America	148.1	155.1	+ 4.7
Other countries	103.5	104.9	+ 1.4

Table III

Leading Commodities in Canada's Trade

DOMESTIC EXPORTS	January-June 1960	January-June 1961	Change
	$'000,000		%
Newsprint paper	357.6	367.6	+ 2.8
Wheat	182.5	274.9	+ 50.6
Lumber and timber	173.5	169.2	— 2.5
Wood pulp	160.5	169.0	+ 5.3
Nickel	130.4	148.1	+ 13.6
Aluminum and products	135.2	115.0	— 15.0
Uranium ores and concentrates	139.4	105.9	— 24.0
Copper and products	111.9	98.7	— 11.9
Petroleum, crude	48.4	63.3	+ 30.9
Fish and fishery products	58.4	58.3	— 0.3
Asbestos and products	52.0	54.0	+ 3.8
Plastics and synthetic rubber, not shaped	52.6	51.2	— 2.7
Farm implements and machinery	55.6	50.2	— 9.8
Machinery (non-farm) and parts	33.6	43.6	+ 29.6
Seeds	33.4	41.2	+ 23.0
Iron ore	51.1	34.7	— 32.1
Alcoholic beverages	33.4	33.0	— 1.1
Rolling mill products (steel)	31.5	32.0	+ 1.6
Flour of wheat	29.1	30.7	+ 5.7
Fertilizers and fertilizer materials	28.7	29.9	+ 4.0

IMPORTS	January-June 1960	January-June 1961	Change
	$'000,000		%
Machinery (non-farm) and parts	308.4	292.8	— 5.0
Automobile parts	176.2	154.9	— 12.1
Farm implements and machinery	140.5	145.3	+ 3.4
Petroleum, crude	130.7	144.6	+ 10.6
Electrical apparatus, n.o.p.	132.4	126.9	— 4.2
Aircraft and parts	49.0	99.0	+102.2
Engines and boilers	73.7	94.1	+ 27.7
Automobiles, freight and passenger	137.9	92.7	— 32.7
Fruits	71.6	76.7	+ 7.1
Books and printed matter	49.4	54.0	+ 9.3
Rolling mill products (steel)	78.7	50.9	— 35.4
Plastics and products	48.8	50.0	+ 2.6
Cotton products	54.9	49.3	— 10.3
Vegetables	41.7	37.3	— 10.5
Paper	34.2	36.0	+ 4.8
Rubber and products	46.6	35.9	— 23.0
Aluminum and products	32.7	35.8	+ 9.5
Petroleum products	42.3	35.4	— 16.2
Apparel and apparel accessories	34.1	33.9	— 0.7
Sugar and products	32.7	32.2	— 1.5

declined. Imports of aircraft and parts were considerably larger and engines and boilers advanced slightly. Fruits, books and plastics increased moderately, but rolling mill products, cotton products and automobiles decreased considerably.

Trade with Britain

Domestic exports to Britain declined 1.8 per cent to $425 million for the first half of 1961. Wheat shipments fell 9 per cent, copper 6 per cent, aluminum 18 per cent, and newsprint 5 per cent. Nickel exports rose 23 per cent, lumber 10 per cent and tobacco 21 per cent; precious metals more than doubled. Wood pulp and wheat flour increased slightly, seeds advanced considerably and plastic material and synthetic rubber rose sharply. Barley sales were much smaller.

Imports from Britain strengthened enough in the second quarter to offset the slight decline in the first three months, so that the total for the first half of 1961, at $314 million, was 1 per cent above the same period of last year. There were large increases in the totals for engines and boilers (including airplane engines), cotton products and aircraft, but sizable declines in automobiles, wool products and rolling mill products. Non-farm machinery, farm implements and raw wool increased moderately; electrical apparatus was unchanged. Imports of precious metals advanced considerably.

Commonwealth and Ireland

Domestic exports to other Commonwealth countries and Ireland rose 2.1 per cent to $157 million in January-June 1961. Australia was the leading destination, with shipments valued at $44 million, followed by exports to South Africa ($20 million) India ($19 million), and the West Indies Federation (also $19 million). Shipments to South Africa declined nearly a quarter but those to India rose almost a fifth. Exports to New Zealand, at $17 million, gained nearly 80 per cent. There were larger wheat shipments to Ireland, India and Pakistan, more engines to India and New Zealand, machinery to Australia, rolling mill products to New Zealand, aluminum to South Africa and New Zealand, copper to Australia, ar aircraft and wheat flour to Ghan

Imports from other Commo wealth countries were valued $129 million for the first half this year, a 2.3 per cent increa over the same period of last yea The West Indies Federation w the chief supplier in this grou followed by India, Australia ar Kuwait. Imports from all of th foregoing increased moderatel Arrivals from Malaya and Sing pore, principally rubber, declin over 30 per cent. Sugar shipmen from Jamaica, Trinidad and F were less, but those from Australi British Guiana and Barbados a vanced considerably. Kenya ar Uganda increased their sales coffee, Ceylon and India se slightly less tea, and Nigeria le cocoa. Wool from Australia w one-fourth less, while New Zealar wool shipments remained the san as in January-June 1960. Bauxi deliveries by Jamaica were slight less but those from British Guia increased. There were larger ir ports of crude petroleum fro Kuwait, Qatar and Trinidad.

Table IV

Leading Countries in Canada's Trade

DOMESTIC EXPORTS

Country	January-June 1960	January-June 1961
	$'000,000	
United States	1,482	1,383
Britain	433	425
Japan	78	105
Germany, West	64	81
China, Communist	6	55
Australia	45	44
Norway	35	38
France	36	37
Italy	19	35
Belgium and Luxembourg	26	32
Netherlands	28	28
South Africa	27	20
India	16	19
West Indies Federation	19	19
Mexico	15	19

IMPORTS

Country	January-June 1960	January-June 1961
	$'000,000	
United States	1,938	1,885
Britain	311	314
Venezuela	94	100
Germany, West	64	63
Japan	53	53
West Indies Federation	26	29
France	23	24
Saudi Arabia	16	21
Italy	18	19
India	15	17
Netherlands	15	16
Belgium and Luxembourg	19	16
Australia	13	15
Brazil	12	13
Mexico	13	12

Trade with Other Countries

The greatest advances occurred in exports to the group of foreign overseas countries. For the first half of this year, domestic exports to this group were valued at $641 million, an increase of 35.8 per cent over those in January-June 1960. The largest proportion of these was directed to Western Europe and, at $291 million, these exports were 15.8 per cent above the corresponding figure for the first half of last year. Shipments to the German Federal Republic (over a third consisting of wheat) were 27 per cent above the first six months of 1960; those to Norway (over two-thirds nickel) were 9 per cent higher, and to France (divided among many commodities) were 2 per cent greater. A significant advance was made in exports to Italy, which rose over 80 per cent above the 1960 half-year total. Deliveries to Belgium and Luxembourg increased by one fourth, but there was a slight decrease in shipments to the Netherlands. Exports to Eastern Europe advanced over 60 per cent to $38 million for January-June 1961; the main increases were in wheat shipments to the U.S.S.R., Czechoslovakia and Albania. Czechoslovakia bought more aluminum but less nickel, Poland more copper but less wheat and no barley, and the Soviet Union purchased more nickel.

Exports to South America during the first half of 1961, at $67 million, and to Central America and the Antilles, at $52 million, were nearly 50 per cent larger than in the same period of last year. More wheat was sent to Colombia, Ecuador, Peru, Venezuela and the Dominican Republic, more wheat flour and wood pulp to Cuba, and larger shipments of newsprint to Argentina, Brazil, Colombia, Mexico and Venezuela. Argentina and Mexico purchased more rolling mill products and Argentina and Brazil took more aluminum.

Domestic exports to Asia for the first half of 1961 were valued at $173 million, or nearly three-fourths more than in the same period of 1960. Shipments to Japan, Canada's third most important customer, advanced by 34 per cent to $105 million. Wheat accounted for about 44 per cent and there were important quantities of seeds, aluminum, iron ore, copper, lumber, asbestos, machinery, and pigs and ingots of iron. Communist China became fifth among purchasers from Canada, with exports for the first six months of this year valued at $55 million. Wheat, at $41 million, was the principal item and barley, at $13 million, accounted for most of the remainder.

Imports from this group of other countries for the first six months of 1961 were valued at $444 million, an increase of 3 per cent over the same period of last year. Of this total, $178 million came from Western Europe, $130 million from South America, $56 million from Asia, $36 million from Central America and the Antilles, and $34 million from the Middle East. Shipments from all these areas rose, except from Asia and Central America.

In Western Europe, France, Italy, the Netherlands, Switzerland and Sweden increased their shipments to Canada; those from Belgium and Luxembourg declined considerably and from the German Federal Republic dropped fractionally. There were more cars but less machinery from West Germany, more machinery from Sweden, less rolling mill products from Belgium, and fewer automobiles from France. From South America, Venezuela forwarded more petroleum and petroleum products, Brazil more coffee, and Ecuador less bananas. From Asia, Japan sent more electrical apparatus but less rolling mill products. From the Middle East, there were larger imports of crude petroleum from Saudi Arabia and smaller imports from Iran.

Outlook

The upward trend in Canada's foreign trade shows signs of developing with moderate impetus in the second half of 1961. Imports appear to be continuing the advance begun in May and give indications of reaching a higher level for this year. Over-all, exports for the second half of 1961 are tending to rise. Demand from Western Europe, Asia and Latin America continues strong and a higher level of activity in the United States, coupled with the lower exchange value of the Canadian dollar, is expected to be encouraging to trade. ●

What's current in commodities?

Textiles

South Africa—Best opportunities for Canadian sales lie in high-quality printed woven piecegoods, both cotton and synthetic, but market is a sophisticated one and very competitive.

L. J. TAYLOR, *Assistant Trade Commissioner, Johannesburg.*

NEARLY every major textile-producing country in the world is selling to South Africa. The Republic imported $250 million worth of textiles in 1960, the bulk of it woven fabrics of rayon, cotton and wool. A number of mills have been set up in recent years and last year local production of textiles reached over $150 million. Consumption is growing by 3 per cent a year but is still only 12 pounds per capita—well below the Canadian level. The Government announced in May that textile importers would be limited in 1961 to 60 per cent and textile manufacturers to 75 per cent of the average of their 1959/60 imports. This, plus growing local production, will intensify the scramble for markets and now more than ever Cana dian textiles will have to be com petitive in price and quality an have designs that catch the eye they are to succeed.

TEXTILE IMPORTS INTO SOUTH AFRICA, 1959

(Can.$'000)

	Woven Piecegoods			Rayon	
	Cotton	Rayon	Synthetic	Staple Fibre	Tire Cord
Britain	11,530	2,419	935	103	510
United States	6,294	4,939	1,911	1,003	728
Belgium	1,221	546	14	53	....
Netherlands	3,718	316	20	76	....
Germany	2,859	2,430	258	1,803	....
Italy	1,151	2,103	361	11	....
France	596	356	107	....	....
Switzerland	778	580	378	....	20
Norway	160	....	....	20	....
Sweden	56	11	11	387	....
Austria	269	361	....	1,448	....
Spain	389	129	....	....	....
Israel	53	8	....	....	....
Czechoslovakia	272	126	....	....	....
East Germany	22	549	....	....	....
Communist China	92	76	....	....	....
Japan	7,932	15,165	511	14	....
Hong Kong	680	20	....	....	....
Taiwan	148	....	....	....	....
Brazil	375	....	....	....	....
United Arab Republic	67	....	....	....	....
Canada	193	45	3	....	....
Federation of Rhodesia and Nyasaland	115	17	....	....	....

Rayon and Cotton

South Africa imports 30 millio pounds of rayon staple fibre a yea The blanket industry uses 65 pe cent, yarn spinners 30 per cent, an carpet-makers 5 per cent. Prices ar cut-throat; in 1959 the average pric was 23 cents a pound f.o.b. countr of export. No rayon staple fibre i produced, although there is a mil turning out 85,000 tons of dissolv ing pulp a year, all of which i exported. Some cotton is grown bu imports supply more than half th requirements of the yarn spinners.

South Africa imports a few spe cial yarns such as sewing cotton and rayon filament yarns (for tir cord) but its own output of cotto and rayon yarns—65 million pound in 1960—supplies most of the loca market. Local production also cut out the import of most knitte piecegoods of cotton or rayon.

South African mills meet only 2 per cent of the demand for piece goods. They produce unbleache plain-weave fabrics, industrial cloth linings and some drill, twill an sateen. Some bleaching and piec dyeing is done and one mill ha started producing printed cotton Imports supply the remaining 7 per cent of the piecegoods market (See table.)

Local Production Encouraged

The Government in a recent re port of the Board of Trade mad it clear that it would like to se local manufacture fill certain pro-

duction gaps, particularly in unprinted plain-weave cheap rayon piecegoods, piece-dyed plain-weave rayon fabrics, rayon ginghams, serge and suitings, and rayon drills, twills and sateens. It cites 25 per cent as the "right" share for local manufacturers—that is, about 20-25 million yards.

Roughly 110 million yards of rayon woven piecegoods are imported each year into South Africa. Very cheap, mainly unbleached fabrics make up 80 million yards of this and 30 million are printed piecegoods and narrow fabrics, also for the cheaper side of the trade and mostly for over-the-counter sales.

Cotton piecegoods imports in 1960 totalled 175 million yards—50 million yards each of printed piecegoods, bleached or piece-dyed fabrics for shirt and nightwear manufacturers, miscellaneous piecegoods such as terry towelling, pile fabric, etc., and 25 million yards of drill, twill and sateen. The Board of Trade has suggested domestic manufactures might replace, in whole or in part, imports of bleached and piece-dyed poplin shirting fabric, gingham, khaki sateen, twist drill, quality drills and denims (piece-dyed), plus cheaper cotton and rayon printed goods.

Canada's best opportunities lie in capturing a larger share of the 10-15 million yards of high-quality printed cottons imported each year. We face stiff competition from Britain, the United States, the Common Market countries (particularly the Netherlands and Germany) and Switzerland. Most of the printed rayons and cottons imported are for over-the-counter cheap end of the trade; fully 70 per cent of the 80 million yards sells to the trade at less than 28 cents f.o.b. country of export. Canada's chances are much slimmer in this part of the market.

Man-made Textiles and Fibres

South Africa makes no synthetic yarns other than rayon and produces no fabrics with a synthetic content greater than 50 per cent. Imports of yarns in 1960 totalled 3 million pounds and of woven piecegoods 9 million square yards. The latter market is growing rapidly and reliable estimates put the demand for synthetic fabrics at 25 million yards in the very near future. In all probability, imports will fill this demand entirely. The market for synthetic fabrics is a high-class one, competition is vigorous, but inventive designs and keen pricing can win Canada a share of it.

The Government feels that a nylon staple fibre plant will be economically feasible when consumption in the Republic reaches five million pounds (three million pounds in 1960—rate of growth 30 per cent). Nylon still holds 70 per cent of this market so there is no prospect of an orlon or terylene plant just yet.

Wool

South Africa is the world's fifth largest wool producer and exports 90 per cent of its annual clip of 100 million pounds. It produces its own woollen yarns, with the exception of certain specialty yarns and knitting wool for retail sale. Most of the higher-priced knitted style goods and 90 per cent of the woven woollen piecegoods are imported. If anything, the competition is even sharper in this market than it is in cotton and rayon.

Best Prospects

Canada's best prospects in South Africa lie in style goods—printed woven piecegoods, both cotton and synthetic. A good agent who covers the major dressmakers and leading department stores is a must. Canada receives no tariff preference on textiles and duty rates range from 15 to 30 per cent. South African importers have to obtain import licences and with the Republic's foreign exchange reserves now recovering, it is hoped that the present shortage of licences will ease in 1962. However, Canadian firms must bear in mind that the market is as sophisticated as any in the world and only the best designs and quality can be sold there. ●

Norway—Most of Canada's textile exports to Norway have been for use in the fisheries; these enter duty-free. We are competitive in certain other fields, such as synthetic woven textiles; good agents and acceptable payment terms will help in making sales.

B. G. R. BARTON, *Office of the Commercial Counsellor, Oslo.*

CANADIAN exporters who wish to sell textile goods to Norway must be prepared to meet strong competition. There are no import restrictions and tariffs—except those on synthetic fibre woven goods—are generally low. Domestic mills have had to compete with imports from many countries and have replied by concentrating their production on items that in quality and price are well suited to the home market. Although the domestic market is limited, local manufacturers are aware of the advisability of introducing new materials into it and they receive invaluable assistance in this and other matters from the Norwegian Textile Research Institute in Oslo. The past few years have also seen a drive to increase textile exports and to use a larger proportion of locally produced staple fibres. From 1956 to 1960, exports rose from 100 million to 148 million kroner.

TABLE I

NORWEGIAN TEXTILE INDUSTRY, 1960*

	Imports		Exports	
	Tons	Kr.'000	Tons	Kr.'000
Wool and other animal hair	2,685	40,931	1,321	9,385
Cotton	6,678	23,260	53	104
Jute	780	818	1	1
Synthetic fibres	1,048	12,913	7,852	26,938
Waste and rags	5,246	3,148	1,717	3,231
Yarns and threads	9,885	169,615	3,947	35,112
Fabrics of cotton	6,199	128,345	120	2,068
Fabrics of silk, wool, linen, etc.	7,898	159,726	591	19,543
Ribbons, laces, embroideries, etc.	292	16,770	10	102
Special articles of wool, cotton, linen, etc.	3,351	53,901	1,079	10,724
Finished textile goods, n.o.p.	2,461	32,306	474	3,910
Carpeting, linoleum, etc.	8,230	38,227	23	383

*Table does not include clothing.

TABLE II

IMPORTS OF WOVEN TEXTILES, YARNS AND THREADS

	Millions of kroner
West Germany	123.4
Britain	105.1
Netherlands	61.8
Sweden	46.2
Belgium	45.7
Denmark	35.7
France	32.3
Switzerland	22.5
Japan	19.1
Italy	18.9
United States	16.9
Austria	15.8

TABLE III

CANADIAN TEXTILE EXPORTS TO NORWAY, 1960

	Can.$
Cotton fabrics, n.o.p.—5,179 yards	2,110
Synthetic fibre, thread and yarns—191,044 lb.	209,725
Synthetic fibre clothing, n.o.p.	76
Rags and waste, n.o.p.—16 cwt.	1,147
Nets, twine, commercial fishing	376,762
Felts and jackets, papermaking—8 cwt.	2,544

The domestic industry produces viscose staple fibres and viscose filament yarn. Production in 1959 totalled 35.5 million pounds of staple fibre and 1.4 million pounds of filament yarn. In addition, about 5 million pounds of homegrown wool are delivered annually to the spinning mills.

Table I gives the relation between imports and exports for the year 1960.

The largest suppliers of woven textiles, yarns and threads in 1960 are given in Table II.

These countries supplied 91 per cent of the imports listed from "yarns and threads" (No. 6) down, in Table I.

Canadian textile exports to Norway during 1960 are shown in Table III.

Selling in the Market

Canada appears to be competitive in the synthetic woven textiles market, except possibly for some rayon fabrics, in which Norwegian mills have specialized. Nearly all man-made woven textile materials, however, are subject to an ad valorem duty of 25 per cent on the c.i.f. value, or a specific duty of 10 kroner per kilogram, whichever is the greater. Canadian exports have been confined largely to items for use in the fisheries. Most of the synthetic fibres, threads and yarns shown in Table III were imported by Norwegian fish-net factories; they enter free of duty when they are imported for use in the fisheries.

In nearly all cases, Norwegian clothing manufacturers and wholesale outlets prefer to deal with locally appointed agents. Since the beginning of 1961 a number of such agencies have been established with the co-operation of the Canadian Commercial Counsellor's office in Norway, and it appears that initial orders for several thousand dollars have already been placed, despite the fact that collections were not available until rather late in the year.

How to Quote

As well as appointing local agents, Canadian textile exporters should be prepared to quote either c.i.f. or c. & f. Norwegian port, as f.o.b. prices are of little use for estimation. Competing countries are allowing payment terms of 30 days or better and anything less than this is considered unacceptable. It is also unusual to demand minimum quantities for shipment except in special cases. Weave widths depend on the type of fabric but the widths in common demand are 36, 50/51, and 60 inches. There are regular sailings from Canada to Norway and although the long freight haul at first sight seems to place Canada at a disadvantage, this can be offset by careful timing and prompt attention to orders received.

Tours of Commodity Officers

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

FOREIGN TARIFFS AND TRADE REGULATIONS

Australia

TARIFF CHANGES—Effective October 6, 1961, a temporary duty of 1½d. per pound was imposed on high density polyethylene. In addition, a temporary duty of ¾d. per pound was imposed on low and intermediate density polyethylene for every penny or part thereof by which the f.o.b. price is less than 28d. per pound.

A temporary duty of 8d. per pound has been imposed on paper cones of the type used in the spinning industry.

A Tariff Board inquiry will be held on these commodities at which firms may present evidence for or against any increase in duty. Dates for these hearings have not yet been announced. The temporary duty, which is additional to the normal duty, will remain in effect until the Australian Government takes action on a final report of the Tariff Board and, in any case, will not remain in effect for a period longer than three months after the receipt of that report.

India

IMPORT POLICY FOR IRON AND STEEL—The Iron and Steel Controller, Ministry of Steel, Mines and Fuel, has announced the import licensing policy for iron and steel materials for the period October 1, 1961, to March 30, 1962.

Established importers will be allowed to import the following items to the extent of the percentage of the base quota indicated against each:

	Per cent
Industrial scrap	7½
Tool and alloy steel, including stainless steel sheets, plates, strips and circles of gauges other than 18 to 25 gauge	10
Wire of all types, excluding commercial quality H.B. wire of 16 gauge and thicker, cycle spoke wire, and umbrella rib wire	7½
Box strappings	7½

Import licences will be granted to actual users for the following categories:

1. Tinplate, prime and secondaries
2. Terneplate
3. Wire of all types, excluding commercial quality H.B. wire of 16 gauge and thicker, cycle spoke wire, and umbrella rib wire
4. Box strappings
5. Steel strips, tapes, skelp
6. Tool and alloy steel, including stainless steel sheets for users other than the utensil industry
7. Industrial scrap
8. Forgings, unmachined
9. Swedish charcoal iron bars and other wrought iron bars
10. Nose bars for ring frame for textile and jute industry
11. Wheels, tires and axles
12. High silicon sheets and electrical steel sheets
13. Silico manganese spring steel bars
14. Cold-rolled and deep-drawing quality sheets
15. Hot-rolled and galvanized plain sheets
16. Carbon wire rods with carbon 0.45 per cent and over for high carbon wire drawing United registered with the Iron and Steel Controller.

As in the previous licensing period, import licences for stainless steel sheets will not be issued to manufacturers of utensils, but their requirements should be met from barter imports.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade announced recently that it has received the following representations respecting the tariff:

Increase in duty on:

Splits for use as linings and/or soles, of a free-on-board price per square foot of not less than 8½c.

Splits other, including splits for gloves of a free-on-board price per square foot of not less than 15c.

Other leathers made from bovine and horses' hides and skins, other than for use as lining white leathers having a suede, velour or velvet finish, or being whole hides and calfskins, whether shaped or not, including pieces, of a free-on-board price per square foot of not less than 25c.

Certain leathers made from sheep and lamb skins, including persians and cabrettas.

Certain leathers made from goat and kid skins.

Canadian firms exporting these goods to South Africa may wish to have their views on the tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agent act on his behalf. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa shortly after the announcements are made.

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade announced recently that it has received the following representations respecting the tariff:

Increase in duty on:

1. Natural and synthetic sausage casings
2. Chloramphenicol products
3. Nylon fishing lines

Reduction in duty on:

1. Titanium sheets
2. Piston castings
3. Racing boats
4. Material made from rayon staple fibre
5. Components for rear tipping trailers

Rebate of the customs duty on:

1. Hook and eye stripping
2. Plastic materials for the manufacture of guitars
3. Components for louvre window hardware
4. Coated fabrics
5. Laevo—L-P-Nitrophenyl-Z-Amino-1-3-Propanediol (L base)
6. Certain components for electronic organs
7. Polyethylene terephthalate cellulose acetate film
8. Sulphasomidine
9. Insole fabricated ribbing
10. Vinylvinyledene chloride

Withdrawal of the rebate on:

1. Chlorinated paraffin plasticizers

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is to have South African agents act on their behalf. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa shortly after the announcements are made.

Switzerland

TARIFF REDUCTIONS ANNOUNCED—The Swiss Government has announced tariff reductions on a number of goods provided they are imported for specific purposes. Of interest to Canada are the following items for which the reductions came into effect on October 1, 1961:

Tariff Item		Tariff Rate: Countries other than EFTA (including Canada)	Tariff Rate: EFTA Countries
4417.01	"Improved" wood, in sheets, blocks or the like	15 Swiss francs per 100 kg.	10.50 Swiss francs (does not apply to imports from Austria which are subject to the higher rate)
	Improved wood blocks, sawn or surface worked by planing, cut lengthwise, rectangular, not further worked, for the manufacture of shuttles in weaving looms	4 Swiss francs per 100 kg.	4 Swiss francs per 100 kg.
4428.40	Other articles of wood: rough not combined with other materials	35 Swiss francs per 100 kg.	24.50 Swiss francs per 100 kg.
	Blocks of various woods glued together, roughly planed, rectangular, not otherwise worked, for the manufacture of shuttles in weaving looms	4 Swiss francs per 100 kg.	4 Swiss francs per 100 kg.
4701.34	Pulp derived by mechanical or chemical means from any fibrous vegetable material: bleached, subject to proof of use in the manufacture of artificial textile fibers	1 Swiss franc per 100 kg.	0.70 Swiss francs per 100 kg.
	Same rate applies to bleached pulp (dissolving pulp) destined for the manufacture of viscose films		

One Swiss franc equals 24 Canadian cents; 4.20 Swiss francs equal one Canadian dollar. One kilogram (kg.) equals 2.204 pounds.

Uruguay

CONSULATE OPENED IN MONTREAL—The Uruguayan Government has announced the opening of a Consulate General in Montreal and the appointment of Mr. Nicolas Onassis as Honorary Consul. This Consulate is to serve exporters in Eastern Canada who had previously to send their shipping documents either to the Vancouver Consulate or to their agents or importers in Uruguay for legalization.

Mr. Onassis may be reached at the Uruguayan Consulate General, Suite 404, 3495 Mountain Street, Montreal 25, P.Q. (Tel. VI 9-8393).

Venezuela

FOREIGN EXCHANGE REGULATIONS—The Foreign Exchange Control Office of the Central Bank of Venezuela has issued a notice to importers that, effective December 1, 1961, it will be necessary when filing applications for foreign exchange for goods on the list of controlled imports to present a sworn declaration furnished by the overseas exporter on the final commercial invoice. The statement will be to the effect that the invoice prices are those in effect in the market in which the goods originated on the date of purchase. The invoice with the sworn declaration is to be legalized before a notary public or before any other authority with notarial powers. Instead of the foregoing declaration, a certification of the respective Chamber of Commerce, to be registered with the Venezuelan Consulate, may be substituted.

The Venezuelan importer must submit the sworn invoice with the Application for Exchange if the import is less than U.S.$2,000, or with the Import Permit and Exchange Licence if the import is greater than U.S. $2,000—Caracas.

The list of controlled imports is on file with the Latin American Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, and with the Commercial Counsellor, Canadian Embassy, Caracas, Venezuela.

The following nominal quotations may prove useful in checking prices. Canadian traders hould consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian ollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The uying rate is that at which the banks purchase exchange from exporters. The selling rate is hat at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. nformation on the rate for any specific commodity may be obtained from the International rade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .966183.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 20	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01248	80.13	
Austria	Schilling		.04007	24.96	
Australia	Pound		2.3315	.4289	
Bahamas	Pound		2.9144	.3431	
Belgium and Luxembourg	Franc		.02079	48.10	
Bermuda	Pound		2.9144	.3431	
Bolivia	Boliviano	Free	.00008826	11,330.16	
British Guiana	Dollar		.6072	1.65	
British Honduras	Dollar		.7286	1.37	
Brazil	Cruzeiro	Free	.003393	294.72	
		Special Category	†	†	
Burma	Kyat		.2174	4.60	
Ceylon	Rupee		.2186	4.57	
Chile	Escudo	Free	.9838	1.01647	
Colombia	Peso	Certificate	.1545	6.47	
Congo, Republic of.	Franc		.02079	48.10	
Costa Rica	Colon		.1562	6.40	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1437	6.96	
Denmark	Krone		.1503	6.65	
Dominican Republic	Peso		1.03500	.966183	
Ecuador	Sucre	Official	.05750	17.39	
		Free	.04787	20.89	
El Salvador	Colon		.4140	2.41	
Fiji	Pound		2.6256	.3809	
Finland	Markka		.003234	309.21	
France, Monaco, etc.	New Franc		.2109	4.74	(1)
Franco-African Republics, etc.	Franc		.004218	237.08	(2)
French Pacific	Franc		.01160	86.21	(3)
Germany	D Mark		.2586	3.87	
Ghana	Pound		2.9144	.3431	
Greece	Drachma		.03450	28.98	
Guatemala	Quetzal		1.03500	.966183	
Haiti	Gourde		.2070	4.83	
Honduras	Lempira		.5175	1.93	
Hong Kong	Dollar	Free*	.1815	5.51	*Oct. 27
		Official	.1822	5.49	
Iceland	Krona	Official	.02407	41.54	(4)
India	Rupee		.2186	4.37	
Indonesia	Rupiah	Official	.02300	43.48	(4)
Iran	Rial		.01366	73.19	
Iraq	Dinar		2.8980	.3451	
Ireland	Pound		2.9144	.3431	
Israel	Pound		.5750	1.74	
Italy	Lira		.001668	599.52	
Japan	Yen		.002875	347.83	

†Exchange auctions will be held each week for limited amounts of exchange.

‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 20	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3252	3.07	
Mexico	Peso		.08280	12.08	
Morocco	Dirham		.2070	4.83	
Netherlands	Florin		.2874	3.48	
Netherlands Antilles	Florin		.5488	1.82	
New Zealand	Pound		2.8945	.3455	
Nicaragua	Cordoba	Effective buying	.1568	6.38	
		Official selling	.1468	6.81	
Nigeria	Pound		2.9144	.3431	
Norway	Krone		.1454	6.88	
Pakistan	Rupee		.2186	4.57	
Panama	Balboa		1.03500	.966183	
Paraguay	Guarani	Official	.008182	122.22	
Peru	Sol		.03858	25.92	
Philippines	Peso	Free	.3450	2.90	
		Official	.5175	1.93	
Portugal & Colonies	Escudo		.03612	27.68	(5)
Republic of South Africa	Rand		1.4572	.6862	
Singapore and Malaya	Straits Dollar		.3400	2.94	
Spain and Dependencies	Peseta		.01725	57.97	
Sweden	Krona		.2004	4.99	
Switzerland	Franc		.2395	4.17	
Syria	Pound	Free	.2890	3.46	
Thailand	Baht	Free	.04896	20.42	(4)
Tunisia	Dinar		2.5047	.3992	
Turkey	Lira		.1150	8.69	(4)
United Arab Republic	Pound	Official	2.9721	.3365	
United Kingdom	Pound		2.9144	.3431	
United States	Dollar		1.03500	.966183	
Uruguay	Peso	Free	.09456	10.57	
Venezuela	Bolivar	Free	.2261	4.42	
		Official	.3077	3.25	
West Indies Fed.	Dollar		.6072	1.65	(6)
	Pound		2.9144	.3431	(7)
Yugoslavia	Dinar	Official	.001380	724.64	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

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The British Market for Heating Equipment (page 12)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA

DEC. 16. 61

FOREIGN TRADE

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JAMES A. ROBERTS, Deputy Minister.
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COMING——SELLING IN SAUDI ARABIA, IN THE DECEMBER 30 ISSUE

Argentina's Foreign Trade

Argentine imports and exports rose in 1960; relaxation of restrictive measures helped Canadian goods enter the market. Our best opportunities lie in primary materials for processing, capital goods not made in Argentina, and engineering and contracting services.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

ARGENTINA'S favourable trade balance of U.S.$16 million in 1959 gave way to an unfavourable balance of U.S.$170 million in 1960. An important part of this $170 million deficit resulted from comparatively heavy foreign investment in the country. This had almost no adverse effect on the balance of payments, however, since repayment of most of it is spread over a number of years. Nor did the deficit (about 16 per cent of total exports) adversely affect the economy. Reserves of gold and foreign exchange built up substantially during 1960 and there was no difficulty in maintaining the peso at the desired stabilization point of 82 to 83 pesos to the U.S. dollar.

Heavy foreign investment does not, however, account altogether for the upsurge in imports that took place in 1960 (fortunately it was accompanied by an appreciable increase in exports). Another factor was the abolition of the prior deposit requirement and the trend toward reduction of the heavy exchange surcharges on imported goods produced locally.

No official figures have been published yet but private sources indicate that the first quarter of this year showed an unfavourable trade balance of some U.S.$35 million. Exports totalled U.S.$274 million —an increase of 12 per cent over January/March last year. Imports amounted to U.S.$310 million, or 25 per cent more than in the same period in 1959. Again, the import increase was due mainly to increased imports of machinery and equipment for new capital projects. Larger shipments of wool, linseed oil and, to a minor degree, meat accounted for the rise in exports.

Exports

Exports for the past two years by commodity groups are shown in Table I. Livestock and livestock products made up almost 52 per cent of the 1960 total and agricultural products accounted for a further 47 per cent. All other products combined were responsible for only about 1 per cent of sales. Argentina's best customers were Britain, with 20 per cent of exports, the Netherlands 12 per cent, Italy 11.5, United States 8.3, West Germany 7.8, Brazil 7.6, Belgium 2.9, Japan 2.3, France 2.3, Chile 1.9, Poland 1.8, and the U.S.S.R. 1.5.

Imports

Table II shows 1960 purchases by main commodity groups, with comparative figures for 1959. Total imports in 1958 were very close in dollar value to 1960 but in 1959 they were much lower than in either year. This was because of the austerity import program initiated in January 1959 with the abolition of foreign exchange and import permits, the establishment of the free exchange market, and the imposition of high exchange surcharges and the prior deposit requirement. The abolition of the latter last year and the reduction of surcharges coupled with the substantial inflow of foreign investment into new industrial enterprises, are plainly reflected in the import figures.

All groups except four showed increases over 1959. Outstanding was the 104 per cent increase in machinery, caused partly by foreign investment and partly by the encouragement given local plant modernization programs. Further exchange surcharge concessions in 1961 have accentuated this trend. The rubber group imports increased by about 100 per cent, mainly because of larger imports of natural and synthetic primary materials and stepped-up purchases of sizes and types of rubber tires not yet produced here.

The decreases were also significant, notably the 26 per cent drop in fuels and lubricants, which demonstrates the success of the recently inaugurated program for exploiting petroleum resources. Reductions in the other three groups —textiles, chemicals, and wood products—point to a strengthening of the local industry, particularly chemicals, which has received considerable attention from foreign investors who have established new industries and expanded existing ones to produce new categories of allied products.

Argentina's chief suppliers were the United States 26 per cent, West Germany 12, Britain 9, Venezuela 7.2, Italy 6.9, Brazil 5.6, France 4.8, Belgium 2.5, and Japan 2.2.

TABLE I

ARGENTINE EXPORTS

	1959	1960
	(U.S.$'000)	
ivestock		
ive animals	11,337	21,089
Ieats	259,286	219,310
lides and skins	69,682	70,247
Vool	120,520	145,260
ggs, honey and milk products	42,901	47,467
nimal byproducts	16,647	16,368
ubtotal	520,373	519,741
gricultural Products		
ereals and linseed	292,655	324,187
Vheat flour and products	22,233	18,388
ilseeds (except linseed) and their oils	97,823	125,326
ther field and garden produce	6,369	7,875
resh fruit	17,359	24,879
ried and preserved fruit	4,151	3,170
ther agricultural products	4,313	4,905
ubtotal	444,903	508,730
orest Products	18,327	15,230
Iining Products	3,699	4,783
ish and Game Products	3,510	3,654
Iiscellaneous	18,143	27,018
otals	**1,008,955**	**1,079,156**

'anada's share of the market was bout 1.5 per cent.

anadian Sales Increase

Canadian exports to Argentina in 960 totalled Can.$19.4 million, ompared with $7 million in 1959. he basic causes of this outstanding ncrease were the abolition in Janary 1959 of foreign exchange conol and the creation of a free xchange market, the progressive psing of bilateral trade treaties, nd the more competitive pricing f Canadian exports, aided by a nore realistic exchange rate for the anadian dollar. In addition, dereased domestic demand forced ome Canadian manufacturers to eek substitute markets in foreign elds. (The fact that so many of nem were able to meet and beat oreign competition augurs well for anada's future export trade.) Had ne surcharge system (which gives rotection to Argentine industry up 200 per cent of the c. & f. value) ot been in force, the increase ould have been even greater. The

TABLE II

ARGENTINE IMPORTS

	1959	1960
	(U.S.$'000)	
Food products	33,090	36,451
Tobacco products	292	1,294
Beverages	1,320	1,914
Textile products	39,559	38,851
Chemicals, pharmaceuticals, oils, paints	72,270	62,199
Paper and products	25,289	30,303
Wood and products	55,042	46,725
Iron ores and manufactures	194,415	204,260
Machinery	259,850	533,785
Non-ferrous metals and manufactures	50,934	59,325
Stones, earths, glass	7,969	9,948
Fuels and lubricants	211,389	155,992
Rubber and manufactures	21,445	42,881
Miscellaneous	20,157	25,347
Total	**993,021**	**1,249,275**

statistics for January/May 1961 are shown in Table III. Final 1961 figures cannot be predicted with any accuracy but the trend is similar to that of 1960 and sales are expected to equal if not surpass last year's.

Exchange control remained in force until December 31, 1958. Because only about one fourth of Argentina's exports are normally sold to the dollar area, a dollar shortage was chronic and under the import permit system in force at the time, discrimination against dollar area imports was unavoidable. Many Canadian products could not be sold in Argentina because no dollars could be spared to buy them. Harnessed to the exchange control and import permit system was the bilateral trade treaty policy. Such treaties were little more than barter agreements, but they effectively shut out of the market many Canadian products usually better than those bought from the other parties to these agreements. The automatic import permit policy that automatically granted an import permit for specified products when imported from any currency area except the dollar area practically killed sales of certain commodities that were traditional in our trade with Argentina. The main ones affected were newsprint, aluminum ingots and asbestos fibre. These have all now recovered their previous importance.

Prior Deposits Abolished

The beneficial effects of the abolition of exchange control and import

TABLE III

CANADIAN EXPORTS TO ARGENTINA

	1959	1960	1961 Jan.-May
	(Can.$'000)		
Newsprint	1,792.6	4,521.2	2,023.4
Steel, sheet and strip, n.o.p.	....	3,221.3	971.5
Steel, carbon sheet and strip H.R.	....	2,250.2	408.2
Aluminum ingots	1,866.1	2,284.4	1,428.5
Steel billets, blooms, ingots	....	1,205.5	324.4
Calculating machines and parts	312.1	828.1	35.1
Asbestos fibre	649.1	765.4	239.5
Sulphite wood pulp	....	587.3	222.5
Pneumatic tires	15.3	540.1	2.6
Synthetic rubber	....	410.0	97.9
Aircraft engines and parts	98.1	337.0	174.5
Sulphate wood pulp	354.2	331.5	206.3
Nickel, fine	104.1	297.1	131.4
Motor vehicle engines and parts	6.6	277.6	48.5
Aircraft	51.2	248.2	3.4
Drugs and chemicals, n.o.p.	287.6	140.6	29.1
Copper ingots, billets, bars	....	110.8	110.9
Dental, surgical, hospital equipment	76.4	105.0	.9
Machinery and parts, n.o.p.	124.1	82.8	369.5
Contractors' outfits	....	79.2	4.7
Dynamos and parts	....	70.0	6.6
Cattle, purebred	30.0	52.6	51.6
Other	1,234.5	617.7	994.0
Total	**7,002.0**	**19,363.5**	**7,885.2**

permits and the lapsing of a number of bilateral trade treaties were slow in making themselves felt in 1959 because of the prior commitments importers had assumed under the old system, because of the heavy surcharges levied on goods similar to those produced at home, and the prior deposit requirement. These constituted an effective brake on imports from all currency areas. The surcharges, originally as high as 300 per cent, are still in force but have been reduced to a maximum of 150 per cent (some items "under study" are surcharged a further 50 per cent) but the prior deposit, which amounted to 2,000 per cent of the c. & f. value, (returnable to the importer after a lapse of six months) was abolished some time ago. There has also been considerable shuffling of products among the lists which carry varying surcharge levies but the general trend has been an easing of the surcharge.

Our Best Prospects

The result in 1959 was that the new curbs on imports, allied with the uncertainty they caused in import circles, prevented any pronounced upswing in Canada's sales. A sales increase did occur, but not until 1960 did the cancellation of the prior deposit requirement and the surcharge reductions really benefit Canadian exporters. It should be noted, however, that our highest-priced exports are free of surcharge and most of the other items of importance are not surcharged above 40 per cent.

Indications are that our trade with Argentina will grow but under the system of heavy protection to local industry through exchange surcharges, our opportunities will be confined almost entirely to primary materials for further processing or to manufactured goods, almost wholly capital goods, not yet produced in Argentina. For example, last month a Montreal firm received an order for 70 diesel locomotives from the Argentine State Railways.

TABLE IV

CANADIAN IMPORTS FROM ARGENTINA

	1959	1960
	(Can.$'000)	
Total	3,380.0	3,611.4
Of which:		
Canned corn beef	1,279.4	1,436.6
Metal ores	....	473.3
Washed wool	767.7	388.7
Grease wool	25.4	121.5
Quebracho extract	460.0	267.1
Fresh pears	60.6	133.8
Sheepskins, undressed	130.9	128.1
Fluid beef extracts	75.5	90.1
Cleaned rice	162.2	78.0
Sheepskins, raw	78.3	73.5
Honey	25.5	59.6
Cheese	36.6	42.8

The thing that stands out most about our past year's sales is our ability to meet the sharpest possible competition in certain products from countries that had previously had an advantage because of cheap labour or mass production or both.

Canadian imports from Argentina increased only slightly last year; for principal imports see Table IV.

Sales Analyzed

Newsprint, aluminum ingots and asbestos fibre have now regained their traditional importance in our list of exports chiefly because of the abolition of exchange control. Newsprint sales were greatly assisted, however, by the efforts of the main Canadian mills to meet the prices offered by European competition. Sales of the primary and secondary steels also demonstrate our new-found ability to compete against traditionally low-cost suppliers. (The apparent drop in 1961 sales is due mainly to the closing of the St. Lawrence River during most of the early months of the year.) Sales of about $125,000 in a category different from those shown in Table III were made in 1959 but most of this business is new.

The combined wood pulps also increased notably and the fall in kraft was the result of decreased supply rather than diminished demand; considerably more of both, particularly unbleached but a[...] more semi-bleached, could be s[...] here if it could be made availab[...] Pneumatic tire sales are in the la[...] bus, tractor, earthmover, etc., si[...] not yet produced here. Synthe[...] rubber is a new item showi[...] promise. Argentina's first petr[...] chemical plant which will produ[...] synthetic rubber is expected to be[...] operation in late 1962 but it w[...] turn out only the two or three co[...] mon types, leaving the market [...] special types open to foreign su[...] pliers. Our Canadian produce[...] should be in a position to obtain [...] substantial share of this growi[...] business.

The increases in primary nick[...] and copper bear witness to t[...] growing demand in Argentina f[...] primary materials. Sales of calcula[...] ing machine, motor vehicle engi[...] and dynamo parts were almost e[...] tirely made to Argentine subsidiari[...] of U.S. firms. Aircraft engine par[...] sales were for aircraft now obsole[...] in Canada but still operating her[...] The aircraft were *Beavers*, famo[...] for their ability to operate in roug[...] country under the most primitive [...] servicing conditions.

Drug and chemicals sales droppe[...] because of greater local productio[...] Contractors' outfits were brought [...] chiefly for the petroleum-drillin[...] campaign. The cattle were a[...] Holstein-Friesians, known in th[...] country as Holando-Argentino[...] Canada is increasingly considere[...] the best source of this very popula[...] breed.

Other items of interest not show[...] separately in Table III were (195[...] values in brackets): rubber inne[...] tubes $41,576 ($8,875); dr[...] salted pollock $26,052 (nil)[...] cranes, hoists and parts $29,96[...] ($13,825); semifabricated alumi[...] num $44,559 (nil); scientific ap[...] paratus $36,576 (nil). No othe[...] item exceeded $25,000 in value.

Market for Services

In addition to the market fo[...] goods, there are opportunities fo[...] the sale of services in engineerin[...]

nd construction. Opportunities for he latter lie mainly with the federal nd provincial government road-uilding programs, river and port nprovements, electric power and irrigation schemes, and similar undertakings. Usually these are put to public tender. Openings for engineers lie chiefly with private interests that are planning new mills and factories or extensions to existing ones but some opportunities for consulting engineering contracts occur from time to time, mainly in electric power and irrigation. ●

Transportation and Imagination

A veteran Canadian exporter discusses how to approach the problem of transportation costs, vital in foreign trade. Excerpted from a paper given before the Second National Northern Development Conference, the article offers sound and shrewd advice to the businessman engaged in selling abroad.

J. E. VAN BUSKIRK, *President, Harrisons & Crosfield (Canada) Ltd.*

'RANSPORTATION is vital to narketing problems not only in Vestern Canada but across the ountry, and the carriers—the ailroads, steamship lines, airlines, ucking services—must necessarily e partners in most large enterrises developed here. Those words carriers" and "partners" should e underlined; I have found that he Canadian carriers are as anxious s I am to develop new business, hether it be the movement of raw naterials or supplies to a manufacuring site or the movement of proessed goods to the market. (It is gnificant that the Canadian Naonal Railways, for example, reently changed the title of its reight Traffic Group to Freight ales.)

Vorking Out Transport Costs

If industry would consider the arriers as partners that offered ansport facilities to the market as heir part in the partnership then, nd then only, would it feel free to iscuss the market it has to meet t Winnipeg, Montreal, Chicago, an Francisco, Hong Kong or Ielbourne.

The basic technique of marketing is to be competitive in the market of your choice and to be so you must have a laid-down cost in that market that is competitive with other sources of supply. The laid-down cost is made up basically of your f.o.b. selling price at the plant plus transportation and duty, if applicable.

I have found that if you take the carriers into your confidence about your problem of meeting competition, disclosing your costs and profits if necessary, they will take a realistic view of their costs and profits to handle the goods in order to arrive jointly at a figure that will permit both partners to do a profitable and an increasing volume of business. For instance, if the marketing of a product requires ocean shipping, it is possible to deal with shipping lines on a realistic basis, particularly if you can show them a steady volume of business to certain overseas markets.

Some exporters may consider these statements about transportation partnerships idealistic, but if they try the partnership idea, they may receive a welcome surprise.

A product is marketable only when it can be sold at a profit and in such volume as to warrant a fair return on the investment in the project. With a relatively small consuming market within an area, enterprises taking advantage of the natural resources there must necessarily use a great deal of imagination in discovering the extent of the market for their proposed products. This imagination can be used in solving the transportation problem too.

To give one example, as early as 1953 a Canadian chemical company established a petrochemical complex in Alberta, proposing an initial annual production of some 18 million pounds of pentaerythritol, an important ingredient in alkyd paints. The primary users of this material in Canada are in Ontario and Quebec and the total annual Canadian consumption was estimated at three million pounds. Almost simultaneously, an Eastern Canadian group announced the erection of a three-million-pound pentaerythritol plant in Quebec.

In spite of this situation, this company not only found markets in

It takes partnership to get your export shipment to a Canadian po on the last lap of its journey to world markets, according to the author of this article, who feels th shipper will benefit if he discusses his costs and competition problem thoroughly with the carrier.

Canada and throughout the world for the capacity output of this product, but substantially increased the annual capacity of its plant about two years ago. Here is a case where a plant located almost as far away as one could imagine from logical markets was able to take advantage of the natural gas resources of Alberta and the co-operation of the transport companies to meet competition successfully on a worldwide basis. An approach of this type is an example of what I mean by "imagination".

In the U.S. Market

To accomplish successful marketing outside the domestic area, an exporter must be informed on many subjects in addition to transportation. Let me outline some of the prime requisites for the successful marketing of goods abroad.

First, let me take the United States, where there is no language barrier and no difficult transportation barrier. Here customs duty, of course, is the number one consideration. Information on this is readily available. It is then necessary to consider whether there are any federal or state laws affecting the marketing of the goods in question. As an example, all of the fertilizers that are shipped to the United States from Fort Saskatchewan, Calgary and Medicine Hat have to be registered in each state in which they are sold. They must also conform to certain specifications which the shipper must declare and have marked on the package—or show on the invoice should it be a bulk shipment. All of the products are subject to state analyses where the package may be picked up at random, even at the farm.

A survey of the potential markets for a new product can be carried out by various methods, either directly by the proposed manufacturer, through professional survey groups in the United States, or more commonly, by a combination of the manufacturer's own men working with potential agents in the areas in question. In the development of these agents the Trade Commissioner Service is ready and willing to assist any manufacturer.

Market surveys will not only provide an indication of the potential market in an area, but also the competitive factors and location of competitive sources of supply.

If you want to sell in San Francisco, it is much more difficult to compete with a product produce in San Francisco than it is with product produced in Chicago o Omaha, Nebraska. In the forme instance, the manufacturer has littl or no outward freight and in th latter there are compensating freigh factors. Against this, however, in a ocean port such as San Francisc one must also consider the potenti competition from manufacturers o competitive products from any pa of the world, for ocean shippin can provide very low-cost transpor

After these facts are assemble one must consider the cost of trans portation to the markets and wor with transport companies to deter mine the outline of the economi field of movement. This is wher the partnership idea comes int effect and where, if you want t ship by rail, the potentials of in centive loading of rail cars can b worked to the best advantage.

Investigating Port Facilities

When one starts to look at off shore markets, many additional fac tors must be considered. Dependin on the product, one must know th port facilities that are available fo export from Canada. For example up to two years ago it was not easy

o move any bulk material, other than grain, through West Coast Canadian ports, and such movements had to be directed through Seattle or Portland. Today we have excellent bulk-loading facilities at Port Moody (a suburb of Vancouver), that will handle goods at the rate of up to 1,000 tons per hour and additional facilities will be available in North Vancouver early next year.

These bulk facilities have not only stimulated exports of Alberta coal to Japan, have made possible the competitive movement of Alberta sulphur to overseas markets, but have permitted the movement of bulk fertilizers to many parts of the world, making it possible for Canada to compete with Japan, for example, in markets such as South Korea, which is virtually Japan's back door.

The Canadian Government Trade Commissioner Service abroad is willing to give industry every possible help in promoting exports from this country. This group of dedicated and well-trained young businessmen will not only provide you with lists of potential agents for your product, but will also inform you on duties, taxes, etc., as well as details on port facilities and transport facilities should these be necessary.

However, if you do use their services, after they have initiated some connections remember that you must strike while the iron is hot and forward your catalogues and samples by airmail or air freight as soon as possible. If this is not done, the prospect grows cold and you may lose a good potential agent to a competitor from another country.

Terms of Trading

World-wide offshore export business is carried on under well-established terms of trading known and understood by most importers abroad. Such terms as f.o.b. (cars or vessel), f.a.s., c. & f., c.i.f., and c.i.f. & c. are well-known standards, but in all cases the name of the port or city of origin or destination must also be shown, so that it is clearly indicated who is responsible for the inland freight, port charges, stevedoring charges, etc., at either or both ends of the transaction, as well as the insurance coverage. The Department of Trade and Commerce has published a most useful handbook entitled *The Techniques of Export Trade* which is recommended to all, even the most experienced exporter, as a guide.

Terms of payment are of vital importance. A confirmed irrevocable letter of credit is the usual and safest means of payment, and one can ask for these terms on export transactions without reflecting on the veracity or credit standing of the buyer. In these days of governments regulating available exchange and of import permits in many countries, the only positive means of full payment is by this procedure, whereby the money is definitely available to the exporter if he performs his part of the bargain.

Even here there are pitfalls that must be avoided. For example, all letters of credit have an expiry date, and if the onboard bills of lading, for instance, are not presented with the other required documents before the expiry date, you may find the goods on the water consigned to your buyer and no immediate means of payment available. Precision in the terms of payment of the letter of credit is essential, and it is up to the seller to make sure that the terms are such that he can meet them—in time, quantity and documentary requirements.

Offshore business is of course also carried out on the basis of cash against invoice, cash against documents, and even on 30, 60 and 90 days and up to six-months' terms. Here the product is usually one on which other world-wide exporters grant such terms. It is well in such situations to consider the advisability of insuring your credits with the Export Credits Insurance Corporation, which in turn will advise you of the limits to which they will insure any particular buyer.

Documentation

When dealing with offshore exports in particular, documentation is of vital importance, for not only must the documents be in exact accordance with the wording of the letter of credit, if you sell on that basis, but in many instances even the package marks, whether they be shipping marks or other data on the bag itself, are vital to the acceptance of the goods abroad. I have seen instances where an added line of information was on the package that was not considered in the original deal. The foreign purchaser took advantage of this fact after the goods had arrived to demand a rebate, as presumably he would have to go to the expense of blacking out the line in question.

Packing and Labelling

Often you will find that the overseas buyer wants your goods in forms far different from your usual packing. If you wish to sell in that market you must conform, for invariably there is a good reason behind the request or demand. For example, Colombia requires fertilizer materials to be packed in double jute bags of a certain size and weight of jute, regardless of the weight of fertilizers shipped therein. Why? Fertilizer is imported duty-free but empty jute bags carry a heavy duty. After the fertilizer is used the duty-free bags are then used to ship mixed fertilizers to the Coffee Fincas, for example, and in turn reused by the coffee planter to ship the green coffees to world markets.

I have tried to explain a few of the highlights and a few of the pitfalls in market techniques as they apply in particular to further processed resources of Alberta and the Northwest. Many, probably most, of these apply in other parts of Canada too, where imagination can be used just as effectively to solve transportation and other problems of export trade. ●

Port Harcourt on the Niger River delta is Nigeria's second largest port.

How to Trade with Nigeria

Large European trading firms still dominate import business, operate chiefly from central buying offices; some Nigerian agency firms are now becoming active. This article discusses the special techniques of doing business in this big West African market.

H. W. RICHARDSON, *Commercial Counsellor, Lagos.*

NIGERIA has now completed its first year of independence with admirable stability and impressive future prospects. Apart from direct investment, how can Canadian foreign trade interests best participate in the expansion that seems inevitable with the new comprehensive 1962-67 economic development plan for Nigeria?

Before independence, trade in most of the new West African nations, including Nigeria, was dominated by large British and European trading companies, which had the capital to set up the necessary wholesale, retail and servicing facilities on a large scale. In some colonies some of these firms even enjoyed certain monopolistic franchises similar to those granted at one time to the Hudson's Bay Company in Canada. Trade in the marketplace and in the small centres, however, was handled by African petty traders and shopkeepers, probably because to succeed needed a minimum of capital ar the maximum credit knowledg about the local population.

Making Import Decisions

Political independence has nc yet generally changed this past pa tern of trading in Nigeria, althoug there are signs that Nigerian firm will handle an increasingly impor tant share of exports and import Meanwhile, purchase decisions fc commercial imports are for the mo part taken in the central buyir offices of the British and Europea trading firms for their respectiv branches. The volume they handl is tremendous. In addition, th rapidly increasing imports for th Nigerian Government are still pu chased by the Crown Agents fc Overseas Governments at 4 Mil bank, London, S.W. 1. These im ports include almost every type c product except foods, because c the lack of necessary organizatio for such procurement by tender.*

(Canadian firms should realiz that to sell to the many foreig governments and agencies aroun the world whose requirements ar procured by the Crown Agents, is essential to be registered in ac vance on the approved list of sur pliers for that commodity. This ca be done by making applicatio directly to the Crown Agents c through the assistance of the offic of the Minister (Commercial) fc Canada at One Grosvenor Square London, W.1.)

It is believed that Nigerian im ports to the value of about $30 million continue to be chosen b the various specialist buyers of th large British and European tradin firms. The other $250 million wortl of imports is mainly bought by offi cial agencies like railroads and utili ties through the Crown Agents, an also by some local factories. Thes buyers often deal direct with sup pliers all over the world, occasion ally with their agents in Nigeria, bu

*See article "The Crown Agents: Buyer for Sterling Markets" in *Foreign Trade* c February 14, 1959.

nost frequently with agents in Britain, France, or Switzerland, ccording to the location of the rading firm's headquarters. On the ther hand, the tendency is for buying responsibility to shift gradually rom Europe to Nigeria; already ome of the local department managers of the trading firms are specifying certain products to the Europe ean offices. The pattern of this radual shift, however, varies from ne firm to another and even within ifferent departments of a firm, depending upon the calibre of the local epartment managers in the Nigerian branches. For this reason, Canadian exporters cannot be too trongly urged over the next few ears to offer most lines to both Nigerian and European offices of all hese firms, as well as to the Crown gents.

ntering the Market

Nigeria, the largest single market West Africa, accounts for over a uarter of the area's total imports, hich are expanding extremely pidly. The trade potential here is, erefore, a prize that progressive xporters all over the world are eking, bearing in mind the general eedom from exchange and import strictions and the rapidly increasg flow of capital, both government d private, to this area.

The big problem for all new supiers is how to break into the mart. Some suppliers from Germany, pan and Norway who are achievg success here do not have the lvantage of dealing in their own nguage that Canadian exporters to igeria enjoy. Unlike other markts, only a small volume of igeria's imports are as yet handled local indent agents, for the asons given above. There are still any frustrating examples of a local ency firm offering a new line to e manager of a trading company ly to be told that it must be ferred to head office; later he sees e same or similar articles in the ndows of the trading company's partment store and realizes that ey were purchased through some agent in Europe. So rarely do the large importers, department stores and supermarkets buy through local agents that the latter find most scope in handling perishable foods or specialty lines sold mainly to factories and to government agencies. It is therefore very difficult to interest an agent in a new line. Too often he simply adds the name of the new foreign supplier to a long list of those in many countries whom he already represents, mostly inactively.

Exclusive Agreements

Another problem is that the large trading firms already have exclusive representation agreements with many suppliers, with the agent's commission as an additional discount. Although it is normally unsound for a manufacturer to tie himself up with one outlet in this way, it has thus far proved effective in Nigeria, particularly in agreements with the United Africa Company group, much the largest trading organization. This group, including the Kingsway department store chain, also does more buying in North America than any of the others, mainly through Balfour Guthrie & Co. Inc., Wall Street, New York City. As an interim measure, some Canadian exporters might consider this approach favourably if the Nigerian trading firm's buying office can be persuaded to take the firm on.

It is almost impossible in Nigeria in most instances both to find a good agency free to take on a new line and to make sure that it gives the products a fair try. The few good agents and distributors here are being bombarded with offers from all over the world and must choose carefully, knowing that shrewd suppliers are simultaneously offering the same goods to the European head offices of their best local customers. The Canadian exporter should follow this procedure until his goods become well enough known here to attract local agency or trading firms which find there is a good public demand for them.

(Names of the large trading firms, with their local and European addresses, plus the names of several reliable locally owned firms, can be obtained by writing to the Editor, *Foreign Trade.*)

Nigerian Traders

Apart from these big trading firms and the official and semi-official entities, there are some additional Nigerian firms which are strengthening their position as importers and wholesalers. However, there are also many small traders who operate with no proper accounting system and on a cash basis, usually without any fixed office address. Many of them aspire to be big importers and they give themselves high-sounding corporate names. Their financial resources, however, often do not permit them to open letters of credit nor to meet payment on sight drafts from abroad even for small orders. Before doing business with these companies, the exporter should first check with this office or with his bank on their credit standing and then answer their inquiries promptly, without sending samples. In the more doubtful instances, a letter of credit in a large local bank should be specified in advance of shipping goods —or at least a 40 per cent cash payment in advance with balance D.O.P. sight draft.

The fluid trading situation in Nigeria that I have outlined makes clear that the initiative of the Canadian Government in organizing solo Canadian trade fairs in the largest of the West African markets—Nigeria and Ghana—in January and February is timely and imaginative, especially since most of our goods had been, until eighteen months ago, automatically excluded from these markets ever since World War II because of dollar exchange restrictions.

Advice to Canadians

For most Canadian firms seriously interested during the next few years in establishing firmly

based trade connections in Nigeria the formula is, therefore:

1. Sell as hard as possible to all the big trading firms, especially those with British and European buying offices, sending frequent offers both to the Nigerian and to the foreign offices.

2. Visit personally their buying specialists and top management.

3. If you are not exhibiting in the Canadian solo trade fairs January-February 1962 in Lagos and Accra, consider entering the first Nigerian International Trade Fair to be held in Lagos in October 1962.

4. Make a deal as soon as good opportunities develop with one of the better representation firms that are gradually becoming established in these markets. Any such agency agreement should specifically exclude sales to the Crown Agents for Overseas Territories, except where the agent can prove definite recommendation of the product by the procuring Ministry to the Crown Agents as the result of his persuasion.

The Canadian exporter is urge to keep in touch with the Trac Commissioner in Lagos about h progress; this is even more vit here than in other markets. Kee him supplied annually with promo tion literature (three or four copies and export price lists, with price worked out preferably in pound sterling, c.i.f. Nigerian ports. Whe these prices include rates of agenc commission, these should be clearl specified and offered as an extr discount to the trading firms unt the exporter has an agency agree ment here. ●

The Californian Market for Fish

Canada shipped nearly $3 million worth of fish and fish products to California in 1959; best sellers were herring and pilchard meal, frozen Pacific halibut, and Pacific flatfish fillets.

CHARLES S. COLLINS, *Commercial Officer, Los Angeles.*

CANADA ships some 68 varieties of fish and fish byproducts to California; these shipments during 1959 totalled nearly $3 million. They included frozen Pacific halibut and coho salmon, frozen whitefish from the Winnipeg area, and pickled herring, kippers, finnan haddies and smoked cod fillets from Nova Scotia, New Brunswick and Newfoundland. Table I lists the principal Canadian exports of fish and fish products to California during 1959.

Local fish brokers usually buy their requirements from Canada f.o.b. Current prices being paid for the principal varieties of Canadian fish are as follows:

- Pickled herring (packed in 225-pound barrels)—$48 per barrel, f.o.b. Nova Scotia points.
- Headless dressed herring (packed in 225-pound barrels)—$35 to $36 per barrel, f.o.b. Nova Scotia and Newfoundland.
- Frozen whitefish (75-pound cartons)—54 cents per pound, f.o.b. Winnipeg.
- Kippers (10-pound boxes)—$2.65 per box, f.o.b. Nova Scotia.
- Finnan haddies (15-pound boxes)—$6 per box, f.o.b. Nova Scotia.

TABLE I

FISH AND FISH PRODUCTS EXPORTS TO CALIFORNIA, 1959

	(Can.$'000)
Herring meal and pilchard meal	510.8
Pacific halibut, frozen	486.4
Pacific flatfish fillets, frozen	355.2
Shellfish, fresh or frozen	174.2
Coho salmon, frozen	149.3
Cured filleted herring	115.1
Smoked fillets of cod	76.4
Chum salmon, frozen	67.0
Pacific fillets of seafish, n.o.p.	66.2
Cod, light salted	58.6

- Smoked cod fillets (15-pounc boxes)—$5.80 per box, f.o.b Nova Scotia.
- Fishmeal (60 per cent protein —$120 per short ton, f.o.b. Nev Brunswick.

Imports into California

Imports of all classifications o fisheries products and byproduct during 1960 into the Californi and Arizona customs district totalled 455.2 million pounds, ar increase of 30.5 million, or 7 per cent, over 1959. (This figure doe not include substantial Canadiar shipments cleared at border point in other states but consigned to California.) There were major increases in imports of frozen shrimp from Mexico, which reached a record high of 48.8 million pounds (up 8.8 million pounds, or 22 per cent, from 1959). Frozen shrimp

rom El Salvador were imported nto California in quantity for the irst time; these imports totalled 2.6 million pounds. Imports of nchovy fishmeal from Peru, at 64.2 million pounds, nearly doubled hose of 1959. Quantity imports of ishmeal from Chile appeared for he first time; 22 million pounds were received in California compared with less than one million in 1959. Imports of spiny lobsters and ails from Australia and New Zealand continued to gain, and last ear totalled 1.9 million pounds. The decrease in imports was most narked in frozen yellowfin tuna rom Japan, which declined to 58.5 million pounds, a drop of 30.3 million or 34 per cent compared with 1959. Table II gives a breakdown of imports of fisheries products into the California and Arizona customs districts in 1960.

California Landings Lead

During 1960 the commercial atch of fish and shellfish in the Pacific Coast States totalled 1,080 nillion pounds, or 22 per cent of he total U.S. catch of 4.9 billion ounds. California landings totalled pproximately $49 million ex-vessel, an increase of 14 million ounds (3 per cent) or $2 million 4 per cent) compared with 529 nillion pounds valued at $47.5 nillion in 1959. The 1960 California landings represented 10 per ent of total U.S. landings and 14 er cent of the total value of the J.S. catch, $347 million. California placed second in volume and ed all other states in the value of andings.

The major increases in California andings compared with 1959 came n jack mackerel (up 37 million ounds or 100 per cent), yellown tuna (up 82 million pounds or 6 per cent), and albacore tuna (up million pounds or 6 per cent). he anchovy catch, at 1,652 tons, as higher by 14 per cent than the ear before.

The domestic tuna fishery during 960 made an impressive recovery om the chaotic conditions that plagued it in 1959. There were no price disputes or fleet tie-ups and the yellowfin tuna catch (totalling 130,239 tons) was the second largest since 1956 and set a record for that species. As a result, frozen yellowfin tuna imports fell by 13,020 tons.

Decreases came in skipjack tuna (down 52 million or 53 per cent), bluefin tuna (down 3 million or 20 per cent), squid (17 million or 87 per cent), and sardines (down 17 million or 23 per cent).

TABLE II

IMPORTS OF FISHERIES PRODUCTS INTO CALIFORNIA AND ARIZONA CUSTOMS DISTRICTS, 1960

	(thousand pounds)
Fresh varieties	2,082.3
Frozen tuna	131,968.3
Frozen shellfish	198,396.9
Canned fish	32,581.0
Dried fish	390.3
Salted fish	886.7
Smoked fish	110.6
Miscellaneous	88,850.1
Total	**455,266.3**

Competition in Cod

Cod fish sticks are said to outsell any single fish product in California. Although Eastern Canada ships cod to California, Iceland is by far the leading supplier. The two principal distributors of Icelandic cod in this country are Coldwater Seafoods Ltd. in New York City, and Iceland Products Inc., Steelton, Pennsylvania. These firms have appointed a well-known Los Angeles broker to handle sales throughout California. More than 10 million pounds of Icelandic cod were reported sold in this area last year.

Consumer Preferences

Accompanying this report are statistics on consumer preference in fish products sold in California. Although the data were compiled several years ago, the tables are still useful and give an idea of the purchasing habits of the fish-consuming public in California.

TABLE III

PERCENTAGE OF HOUSEHOLDS BUYING VARIOUS FISH PRODUCTS

Products	Households (in per cent)
Frozen packaged	
Salmon	22.6
Halibut	44.9
Sole	49.1
Rockfish	23.6
Crab	6.1
Other than canned	
Salmon	15.9
Halibut	31.7
Sole	34.6
Rockfish	16.6
Crab	4.3
Smoked	
Salmon	62.5
Cod	28.4
Herring	22.0
Finnan haddie	2.7
Swordfish	2.4
Other	30.5

TABLE IV

Consumer Preference for Fresh vs. Frozen Packaged Fish

	Fresh	Frozen	No Preference
	(per cent of all purchasers)		
Salmon	75.4	12.1	12.5
Halibut	74.4	13.8	11.8
Sole	73.2	14.0	12.8
Rockfish	68.8	12.5	18.7
Crab	69.9	11.1	19.0

Canned Pet Food

California continues to lead all states in the total pack of canned pet food made from fisheries products. The 1960 California pack of 2.94 million cases valued at $15.5 million (produced by 20 plants) led the second-place Massachusetts pack by 400,000 cases and $3.6 million.

The dark meat trimmed out in tuna-canning operations continues to gain in popularity as a cat food. It is now packed in every major tuna cannery in California. Canned animal food using fish accounted for 33 per cent of the United States total during 1960, and is now a major fisheries products industry.●

99774-2—3

What's current in commodities?

Heating Equipment

Britain—Canadian warm-air heating equipment should sell rapidly here for two main reasons: low cost, and ability to adjust to the temperature changes characteristic of the English climate. In part one of a two-part study, the author discusses current heating methods and how British homes can be adapted for central heating.

GEORGE W. ROONEY, *Office of the Minister (Commercial), London.*

BRITAIN has a population of 52 million, living in more than 14 million houses or apartments. Only about 3.1 per cent of these domestic establishments have central heating; many of these 50,000 are equipped only with what can be described as partial central heating—that is, a hot-water radiator in the front hall and possibly one other in the living room. The majority of homes have a small coal fireplace in the living room and sometimes others in hallways, dining rooms and bedrooms, plus a variety of heating appliances that are brought out in cold weather and moved from room to room as required.

These conditions still continue for two main reasons: the high cost of the present full central-heating equipment (over £500 in the average house for small-bore hot-water systems), and the almost total lack of suitable alternative heating methods.

Coal fireplaces were the cheapest form of heating in prewar years when coal was cheap and domestic servants available to tend them. Since the war the price of coal has increased almost every year and continues to rise. At present coal prices, the resultant heat does not justify the work of building fires and cleaning grates every day and home-owners are thinking more and more of some form of automatic, full-house heating that is not too expensive to install and operate.

Small plug-in portable electric fires have replaced coal fireplaces in the bedrooms and paraffin free-standing stoves are often found in the hallways. Such improvised measures produce inadequate heat and constant drafts. Often too there are odours from the paraffin stoves and, of first importance, total running costs for the assortment of heating devices usually approach a figure about equal to that of full central heating.

Central Heating Promoted

Shell and Esso started in October 1959 to advertise the advantages of oil-fired central heating in newspapers, housing and women's journals. This program, costing millions of pounds, is beginning to create a demand for full central heating; certainly it produced an enormous number of inquiries. In 1959 the only heating system with all the answers to the problem and which the heating engineers (or dealers) were trained to install was the small-bore, oil-fired hot-water radiator system. This was designed for installation in new and existing homes of three to four bedrooms for £500-£800, including domestic hot-water supply.

Gas radiant fires have been installed in bedroom fireplaces in existing and new homes to a larg[e] extent but although they eliminat[e] the dirt of coal fireplaces, they d[o] not provide real comfort. The sam[e] is true of electric radiant heater[s]. Gas central-heating equipment, in[-]stalled for about £100, has bee[n] selling readily to builders but at th[is] price does not provide full heatin[g] and running costs of the availabl[e] equipment have been very high.

Consumer Habits

Living habits in Britain will no[t] be changed easily, even with fu[ll] central heating. The home-owne[r] will want to keep his fireplaces, a[t] least in the living room. He wi[ll] want an efficient way to heat ho[t] water if he gives up his coal-fire[d] boiler in the kitchen to make wa[y] for a warm-air furnace. He is no[t] yet prepared to pay for a basemen[t] to house a furnace. He likes fres[h] air and will insist on open window[s] until his heating bill persuades hi[m] otherwise. He likes to keep roon[m] doors shut and is prepared to kee[p] the less-used areas of his home, suc[h] as halls, at a slightly lower tempera[-]ture than the rest of the house.

He wants a great deal of technica[l] information on heating equipment[,] including running costs, servicing[,] guarantees, noise level, BTU output[,] maintenance, safety devices, etc[.] Above all, from his experience[s] in overheated hotels and house[s] equipped with hot-water radiato[r] systems, he still believes that centra[l] heating is stuffy. It was interestin[g] to note that the report on a con[-]sumer survey* last year thought i[t]

*See *Ideal Home Magazine,* "Space Heat[-]ing in Middle-Class Homes with Specia[l] Reference to Attitudes towards Centra[l] Heating", published by Odhams Pres[s] Limited, London, February 1960.

important to stress that central heating is not necessarily unhealthy!

House Construction

The main differences between British and Canadian house-construction methods affecting the installation of warm-air heating are:

- New British homes being built do not have basements—and only a small percentage of those built in Victorian times have them. Therefore the furnace must be installed in the kitchen or in a separate furnace room and the ductwork installed in the foundation concrete slab (or under the floor for suspended floor construction).

- The outside walls are usually of cavity brick construction that does not allow for built-in ducts. The partition walls also are usually solid or without studding space for ducting and therefore rising ducts to the second floor must be placed in corners, plastered in, and usually teed upstairs to two rooms.

- Cavity walls, single glazing and open fireplaces create greater heat losses than in Canadian homes. This must be allowed for in calculating the size of furnace required for the average British house at a 35-degree inside-outside differential.

Equipment Required

Canadian domestic warm-air furnaces, oil- and gas-fired, with the necessary mass-produced ducting, registers and grills, should prove very popular in the British market if the retail price can be kept down to Canadian retail prices plus, of course, additional freight costs. The average British householder would be prepared to pay about £250 for a warm-air heating installation. This should be possible at present Canadian prices for such equipment. It would give Canadian warm-air equipment a considerable margin over the small-bore hot-water radiator system that has so far achieved only partial success because it is beyond the reach of the mass middle-class market, which is not prepared to pay £500 or more for it.

Furnaces—The furnaces should range in size from 50,000 to 150,000 BTU's in output, possibly concentrating initially on a 60,000 size as the most popular model and stocking other sizes as demand grows. Hi-boys, counter-flows and lo-boys are all required: hi-boys for overhead ducting in existing houses, as very few have cellars except those built in Victorian or earlier times. Counter-flows are needed for new homes where the ducting is placed in the foundation concrete or under suspended floors, and lo-boys for the few existing houses with cellars or in small commercial buildings and churches. Floor furnaces have not been introduced yet but these might be the economical answer for very small houses.

A few Canadian companies are now selling both gun burner and forced draft vaporizing burner furnaces in Britain. The vaporizing burner furnace was found to be attractive because it was cheap and quiet. Most small houses require the furnace to be installed in the kitchen and the vaporizing burner is quiet enough for this purpose. In large houses there is usually a boiler (furnace) room but no basement, and the gun burner furnace is acceptable there.

Ducts—It is essential to arrange a supply of ducting to be held in stock in those parts of the country where business is begun. There is no warm-air ducting in Britain except what Canadian companies have so far brought in from Canada. To date mostly 4- and 5-inch round snap-lock galvanized pipe and 8½-inch square ducting is being used, with 8 × 4 and 8 × 6 floor registers and complementary fittings.

Controls—Both Honeywell Controls and Controls Company of America (A.P.) have recently set up factories and supply depots in Britain for the necessary controls. Electric fan motors and certain wiring are probably more easily obtained in Britain to suit the 220-250 volt, 50-cycle supply. Motors rewound to this supply in North America often develop a hum, particularly when the frequency requirements are ignored or transformers are used.

Water Heating

In Canada, warm-air furnaces are used to heat the house only and domestic hot water is usually heated separately by gas, electricity or oil. In Britain, most householders want domestic hot water heated by the same unit that heats the house. This is a feature of the small-bore radiator systems. However, if the public can be educated to the idea that air and water are more efficiently heated in separate units and that the warm-air furnace can be shut off completely in summer, they will come round to accepting the Canadian method.

There are several British hot-water heaters on the market—electric, gas- and oil-fired. However, Canadian domestic hot-water units will also find a market if they are suitable in design and competitive in price. For the Canadian gas-fired warm-air furnaces, the Gas Council recommends a gas circulator that will fit into the furnace and heat the domestic water if required.

Standards

The British Standards Institution has not yet laid down a set of regulations for warm-air heating because this is still a comparatively new field in Britain. Certain county councils must approve builders' plans before a building permit is granted, but not much attention is paid to the heating equipment and there are no standard regulations covering this.

Oil companies provide free testing facilities and the results are circulated to all their technical sales representatives, but no further testing is required for oil-fired central-heating equipment.

The Gas Council tests and approves all heating equipment for the regional Gas Boards which have

showrooms and installation departments in every town throughout Britain. There are 100 such retail showrooms in London alone. No equipment is handled or connected to the gas supply by the Gas Boards until this approval is obtained. Because the BTU content of manufactured gas in Britain differs considerably from Canadian natural gas, Canadian gas furnace burners have to be modified accordingly. ●

Part II of this study, in the next issue, will discuss methods of selling heating equipment in Britain and related problems.

Fruit and Vegetable Products

France—The United States sells some $4.5 million worth of fresh or preserved fruit and vegetable products in France a year, despite import restrictions. This suggests that Canada might increase its annual sales, which currently total only $250,000.

R. G. WOOLHAM, *Assistant Commercial Secretary, Paris.*

FRANCE imported during 1960 about $145 million worth of fresh or preserved vegetable or fruit products—excluding citrus fruits and tropical products not grown in Canada. About 52 per cent of these imports come from the franc-zone countries because they enjoy better terms of access than do imports from other areas. About 33 per cent come from fellow members of the European Economic Community: Italy, Germany, the Netherlands, Belgium and Luxembourg. The remaining 15 per cent (or $23 million worth) of fruit and vegetable imports come from countries outside these two groups. The United States supplied about $4.5 million worth and Canada approximately $250,000. The U.S. sold mainly fresh apples, dried beans and peas, small quantities of parsnips, canned vegetables and fruits, sauces and condiments. Canadian producers sold chiefly fresh apples and maple sugar and syrup. (Canada is virtually the only supplier of the latter.)

Imports Controlled

Practically all fruit and vegetable products going into France face import restrictions and quota control. The three exceptions are maple sugar and syrup, sauces and condiments, and soup and soup preparations, all in categories liberalized by the French Government. Practically no frozen vegetables or fruits are imported into France, partly because of import restrictions and partly because France has few facilities for marketing frozen foods.

The rates of duty on imports of vegetable and fruit products from members of GATT, including Canada, vary between 15 and 27 per cent of the c.i.f. value; for Common Market members, they are between 4 to 6 per cent lower than the rates applied to other foreign countries. The country of origin of all canned food imports must be stamped or embossed on each tin.

Notwithstanding the restrictions on imports of vegetables and fruits into France, there is a market for Canadian food products of this type. The key to securing sales is the import agent, who must be prepared to undertake the work of securing a quota when this is needed.

In addition, import restrictions are waived for modest quantities brought in by agents for display at international trade fairs held in France. This is an excellent method for introducing new lines to the public and to this market; these token sales also assist in securing better quota opportunities. Canadian opportunities for selling vegetable and fruit products to France should be exploited as much as possible now, because there is little doubt that this market will expand as further liberalization measures are taken. ●

IMPORTS INTO FRANCE 1960

	Franc Zone	EEC	Other Countries	United States
	(in dollars)			
Edible vegetables fresh, chilled, frozen or dried	67,679,000	19,397,300	9,502,600	796,400
Edible fruits and berries fresh, chilled, frozen or dried	1,556,300	26,186,700	12,624,600	3,590,314
Canned vegetables	1,284,400	944,000	732,200	21,000
Canned fruits	1,181,900	13,900	68,000	18,800
Vegetables or fruits preserved in vinegar	5,600	63,100	41,000	....
Fruit juices	146,300	46,300	49,900	....
Marmalades, jams and jellies	1,781,000	40,800	61,600	....
Soups and soup preparations	800	121,600	180,500	....
Sauces and condiments	84,600	92,100	157,100	46,900
Maple sugar and syrup	....	....	18,700*	....
Total	**73,720,600**	**46,905,800**	**23,436,200**	**4,473,400**

Source: French Ministry of Finance and Economic Affairs.
*Of which $17,000 from Canada.

Markets in Brief

TANGANYIKA

Area: 362,688 square miles.

Population: 9,237,600.

Climate: low coastal areas are warm and humid, but the plateau and mountain slopes range from hot and dry to cool and temperate.

Language: English is the language of business; Swahili, Hindustani and Gujerati are also widely used.

Currency: East African (EA) shilling; 20 EA shillings= U.K.£1; one shilling=100 cents.

Weights and measures: imperial and metric systems are both legal, but the imperial system is preferred.

Capital: Dar es Salaam.

Chief ports: Dar es Salaam, Tanga and Mtwara.

Marketing centres: Dar es Salaam (population) 129,000; Tanga 38,000; Mwanza 20,000, and Tabora 15,000.

Economy: primarily an agricultural country; the chief crops are sisal, coffee and cotton. Mineral products (diamonds and gold) are also of considerable importance.

Total Tanganyikan imports: 1959—£34.45 million; 1960—£29.64 million.

Chief imports: (U.K.£ million) 1959—manufactured goods 13.2, machinery and transport equipment 9.1, mineral fuels and lubricants 3.7.

Chief suppliers: (U.K.£ million) 1959—Britain 10.8, Japan 3.6, India 2.1, West Germany 1.8.

Value of imports from Canada: 1960—$142,861; 1961 (6 months)—$106,771.

Chief imports from Canada: 1960—newsprint $27,015, automobiles $38,932, aluminum $18,765.

Total Tanganyikan exports: 1959—£45.29 million; 1960—£42.86 million.

Chief exports: (£ million) 1959—sisal 13.06, cotton 6.66, coffee 5.75.

Chief markets: (£ million) 1959—Britain 16.2, Netherlands 3.9, West Germany 3.7, United States 3.4, India 2.7

Value of Canadian purchases: 1960—$1,833,790; 1961 (5 months)—$1,099,749.

Chief Canadian purchases: 1960—green coffee $1,318,653, sisal $329,977, tea $121,572.

Dollar exchange: almost no restrictions.

Prices: quote in U.K. pounds, preferably c.i.f. Dar es Salaam.

Samples: free if of no commercial value.

Import controls, documentation, customs tariffs, marking and labelling: consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Correspondence: airmail essential; letters 25 cents each half ounce.

For detailed information on this market write to:

Commonwealth Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 2133
Salisbury
Federation of Rhodesia and Nyasaland

This scene at Morogoro in Eastern Province gives a glimpse at Tanganyika's beautiful and exciting scenery. In the background are the Uluguru Mountains; in the foreground, farm workers arrange sisal fibre, the country's leading agricultural crop, on racks to dry.

Tanganyika

. . . Africa's Newest Independent Nation

This new East African nation, with its agricultural and mineral resources, infant industries, and development plans, looks to a bright economic future. Here is a market Canadian producers of a variety of products might well study.

H. S. HAY, *Commonwealth Division.*

The Tanganyikans call their capital Dar es Salaam—haven of peace. It is also the chief harbour and the nerve-centre of the country's business life. This aerial view shows a section of the modern city and its harbour on the Indian Ocean.

TANGANYIKA, which became independent on December 9, 1961, is best known to Canadians as the land of big game safaris, Mount Kilimanjaro, and Canadian Dr. Williamson's famous diamond mine. On Africa's east coast just below the equator, it is a country of great scenic beauty and contrast, about 363,000 square miles in area, or comparable in size to British Columbia. Much of the country is a rugged plateau, 3,000 to 4,000 feet above sea level. The northern frontier, rising to Kilimanjaro and neighbouring peaks, is perpetually snow-capped. In the west is the Great Rift Valley and Lakes Victoria, Tanganyika and Nyasa, whose combined area is similar to Lakes Huron, Michigan, and Ontario. In the east, the plateau drops to the palm-fringed Indian Ocean with its many miles of splendid coast.

Tanganyika's shores were visited by Asian and Arab traders in pre-Christian times. Records of Arab colonization date from the 8th century A.D. and interesting historical ruins remain. First contact with Europeans came in the 16th century when the Portuguese established trading stations. In the latter part of the 19th century the area came under German influence and what is now Tanganyika became the main part of Germany's West African colony. Following World War I it was made a British mandate and after the last war became a Trust Territory. The road to independence has been comparatively smooth and Tanganyika has now assumed complete sovereignty as a parliamentary democracy and the 13th member of the Commonwealth.

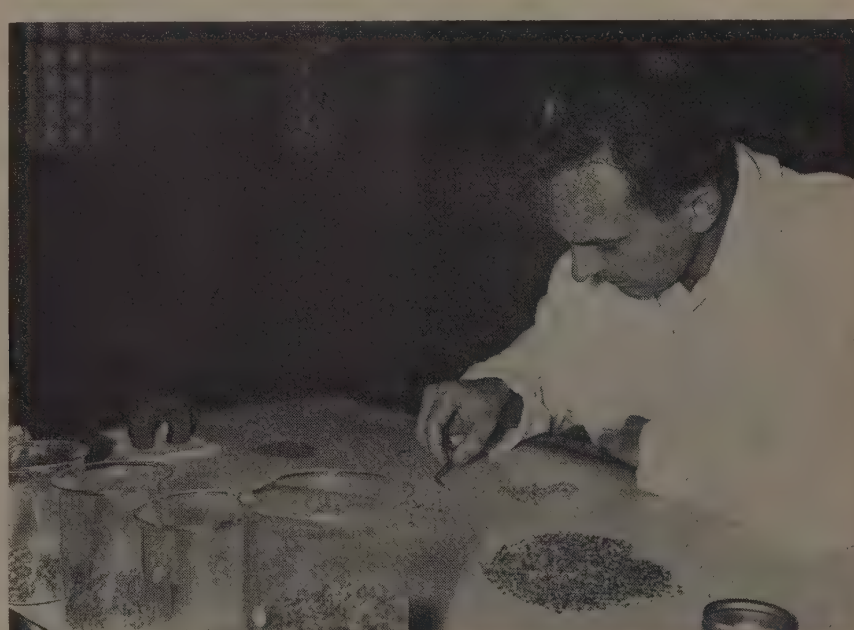
People and Resources

Most of the 9¼ million population are African, representing some 120 tribal groups. However, the non-African element—about 87,000 Asians, 25,000 Arabs, and 22,000 Europeans—is important. Most of the retail trade and much of the wholesale trade is conducted by Asians whose influence, understandably, is evident along the coastal belt centering on modern Dar es Salaam ("haven of peace"), the capital, chief port and main commercial centre, with a population of 130,000.

Since 1948, Tanganyika and neighbouring Kenya and Uganda have jointly administered a number of inter-territorial services under the East Africa High Commission and Central Legislative Assembly. These include customs and excise, railways and harbours, posts and telecommunications, income tax, aviation, meteorology, statistics, and various areas of science and research. With independence, the legislative and administrative bodies are to be reconstituted to enable the association to continue. Eventually, it is felt, this may grow into a broader East African Federation.

Tanganyika is as yet underdeveloped and poor but looks to a bright future built on its abundant and diversified primary resources. Almost any tropical or semi-tropical crop can be grown and sizable areas are suitable for livestock and ranching. Extensive mineralization has already been proved but much exploration has yet to be done. The rugged terrain, lack of water in some areas, poor soils, tsetse fly infestation and sparse population have kept average incomes low. However, irrigation, better farming practices and improved communications are all practical goals toward which progress is being made.

The leading agricultural crop is sisal; Tanganyika produces two-thirds of the world's supply, worth approximately $37 million a year. Cotton, coffee, oilseeds, cashew nuts, hides and skins, and meat are



For Canadians, this picture has a special interest—it shows grading and sorting of diamonds at Mwadui, one of the mines developed by the famous Canadian, Dr. Williamson. For Tanganyikans it has greater significance: diamonds are the most important mineral and one of the principal exports.

also important. Tobacco, tea and cocoa are expected to develop.

Primary and Secondary Industry

Diamonds are the most important mineral recovered at present. Others are gold, salt, mica, tin, gypsum, garnet, graphite, kaolin, magnesite, meerschaum, vermiculite, and coal. Valuable deposits of gold, iron, gypsum, halite, pyrochlore and phosphate are known. An oil-exploration program is under way on the coastal plains. Several secondary industries process local resources. These include plants for ginning cotton, processing coffee and sisal, packing meat, and milling wheat and rice. Light industries have been established for the manufacture of clothing, shoes, razor blades, paints and varnishes, and metal containers. Plans are under way for a fish-canning industry, a cashew-nut processing operation, a cement plant, an oil refinery, a plant for making sisal bags, and improved facilities for slaughtering and cold storing meat.

Three Year Plan

A three-year development plan based on a World Bank survey is now in operation and will run to 1964. The aim is to provide a firm foundation for Tanganyikan economic development through improvements in agriculture, water supplies and irrigation, communications, and secondary and technical education. The plan calls for expenditure of $70 million to be obtained from Britain, West Germany, the United States and the United Nations. To meet the urgent need for trained leaders, a Tanganyikan university has been established, with two Canadian professors as first principal and dean of the law school. Tanganyika's ability to finance necessary development costs from its own resources is limited and for many years to come it will rely heavily on overseas capital to build roads and bridges, hydro-electric plants, factories, irrigation works, schools and hospitals and to provide technical assistance in a variety of fields.

Foreign Trade

Total foreign trade approximates $230 million a year, with a significant surplus of exports over imports. Exports consist of a variety of primary agricultural and mineral products, most important of which are sisal, cotton, coffee, diamonds, nuts and oilseeds, meat, and gold. Imports comprise most of the country's requirements of capital goods, machinery, manufactured consumer goods, and certain foodstuffs not produced locally. Britain is the principal trading partner, followed by Japan, West Germany, Netherlands, the United States, and India.

Since 1922 a common market has existed between Tanganyika, Kenya and Uganda, enabling duty-free movement internally of almost all goods and providing virtual uniformity of external customs duties. No tariff preferences are granted to any country under the terms of the Congo Basin Treaties and subsequent international conventions. The general tariff level in Tanganyika (and East Africa) is 22 per cent ad valorem. Higher protective rates apply to certain foodstuffs and consumer goods, but many semi-necessities are dutiable at a lower percentage. A wide range of agricultural, mining and industrial raw materials, equipment and machinery, and certain foodstuffs are duty-free. Almost all imports may enter without restriction from any source.

Canada's Sales

Canada has made small export sales to Tanganyika for many years and in turn has imported a considerably higher value of goods. The accompanying tables show the import and export totals and main commodities traded in 1960.

In addition to the commodities above, there may be sales possibilities for such things as power chain saws, wheat, steel fabrications, construction machinery, aircraft, floor coverings, drugs and pharmaceuticals, canned fruit and vegetables, construction services and insurance. Direct shipping services operate from both Montreal and Vancouver to Dar es Salaam.

Although this is a small market, it warrants attention from Canadian exporters as an important developing area in its own right and as part of the larger East African market. For a preliminary assessment and advice on suitable contacts, exporters should write Canada's Trade Commissioner responsible for Tanganyika: Mr. L. S. Glass, Canadian Government Trade Commissioner, P.O. Box 2133, Salisbury, Federation of Rhodesia and Nyasaland.

For information on prevailing trade regulations and tariffs on individual Canadian products, contact the Commonwealth Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa. ●

CANADIAN EXPORTS TO TANGANYIKA (1960)

($'000's)

Vehicles and parts	43.7
Newsprint	27.0
Aluminum	18.8
Powdered milk	8.5
Flour	8.2
Clothing	7.7
Agricultural machinery	5.5
Tires	4.3
Lumber	3.8
Marine engines	3.4
Plastics and synthetic rubber	3.3
Clocks	2.2
Total	**142.9**

CANADIAN IMPORTS FROM TANGANYIKA (1960)

($'000's)

Green coffee	1,318.7
Sisal	330.0
Black tea	121.6
Wattle extract	27.1
Peanuts	17.8
Beans	7.2
Bean and pea seeds	3.8
Natural fibre carpeting	3.2
Wood manufactures	2.6
Total	**1,833.8**

India Sets Steel Production Targets

Canadian manufacturers may find opportunities here to supply equipment for India's planned government-sponsored specialty steel plant; Atlas Steels, a Canadian company, has already contracted to provide knowhow and technical training.

GERALD A. NEWMAN,
Commercial Counsellor, New Delhi.

STEEL production in India is not just the basis but also the symbol of the country's industrial progress under the Five Year Plans. Rich, strategically located resources of iron ore and coal and abundant cheap labour offer the prospect of India's some day becoming one of the world's low-cost producers of steel.

When the Five Year Plans began in 1951, two private companies (the Tata Iron and Steel Company Limited and Indian Iron and Steel Company Limited), and a state-supported project, the Mysore Iron and Steel Works Limited, were together producing little more than 1.07 million tons* of finished steel a year. Since then these plants have expanded and three government-sponsored mills, each of about one million tons capacity, have come into operation with the help of German, Soviet and British financing and technical knowhow. This justified a target capacity for the end of the Second Five Year Plan in 1961 of 4.5 million tons of finished steel.

*Long tons used throughout unless otherwise noted.

TABLE I

PRODUCTION CAPACITY

	Ingot 1961	Ingot 1965*	Finished Steel 1961	Finished Steel 1965*
	(million tons)			
Tisco	2.0	2.0	1.5	1.5
Iisco	1.0	1.0	.8	.8
Mysore	.1	.1	.1	.1
Durgapur (British)	1.0	1.6	.8	1.3
Bhilai (Soviet)	1.0	2.5	.8	1.7
Rourkela (German)	1.0	1.8	.7	1.2
Bokaro	....	1.0	....	.8
Miscellaneous	....	.2	....	.1
Total	**6.1**	**10.2**	**4.7**	**7.5**

*Targets.

TABLE II

FINISHED STEEL PRODUCTION, 1960

(metric tons)

Tata Iron and Steel Company Limited	816,318
Indian Iron and Steel Company Limited	415,984
Mysore Iron and Steel Works Limited	39,886
Bhilai steel project	7,606
Rourkela steel project	10,530
Durgapur steel project	885
Secondary producers and rerollers using billets	769,850
Unregistered rerollers using scrap	131,457
Semis (exported)	35,894
Forging billets	35,194
Total	**2,263,604**

TABLE III

FINISHED STEEL PRODUCTION, BY CATEGORIES, 1960

(metric tons)

Heavy structurals	118,909
Light and medium structurals	235,969
Spikes	5,390
Heavy rails and fish plates	146,699
Light rails	5,848
Black sheets, plain	134,878
Galvanized sheets, plain	21,476
Galvanized sheets, corrugated	104,119
Plates (M.S. and H.T.)	99,543
Bars and rods	951,067
Wheels, tires and axles	20,016
Sleepers	5,908
Skelp	167,555
Tinplate	80,636
Bolts and nuts	13,361
Rivets	5,029
Wire, barbed	1,022
Wire, miscellaneous and telegraph	22,251
Wire nails	16,233
Tool steel, including spring steel	18,624
Hoops and strip	17,983
Forging billets	35,194
Semis (exported)	35,894
Total	**2,263,604**

Targets and Production

The target under the Third Five Year Plan has now been set at 7.5 million tons of finished steel by 1965-66, to be realized mainly through the proposed expansion of the three public-sector plants and the addition of another unit. The distribution of production capacity now and as projected for 1965 is seen in Table I.

Although the target capacity for 1961 has nearly been reached, it is another question just how close actual production will come to capacity; adequately trained personnel are needed and raw materials deliveries are exerting severe pressure on the railroads. Finished steel production in 1960, by producer, is given in Table II; Table III gives it by categories.

TABLE IV

Steels	Sections	Billets	Sheets (long tons)	Forgings	Total
Tools	8,000	2,100	2,300	600	13,000
Construction	12,000	3,000	1,000	1,500	17,500
Stainless and heat-resisting	2,500	500	14,000	....	17,000
Die blocks	....	....	....	500	500
Total	**22,500**	**5,600**	**17,300**	**2,600**	**48,000**

Special Steels

The major steel developments have so far been on a scale offering little of direct concern to Canada, but the Third Five Year Plan target of 200,000 tons of alloy, tool and special steel offers possibilities. The plan is to raise production from the present 10,000 tons to 200,000 by expanding production of ordnance factories not required for defence use to 35,000 tons; erecting a new plant in the public sector at Durgapur to produce 50,000 tons; expansion at Mysore Iron and Steel Works Ltd. by 15,000 tons and at Tata Iron and Steel Co. Ltd. by 50,000. Other private companies, a number of which have already received manufacturing licences, would provide the remaining 50,000 tons.

New Durgapur Plant

The proposal of special interest to Canada is the one to build a government-sponsored plant under Hindustan Steel Limited at Durgapur, where the main steelworks was erected by a British consortium in collaboration with the Indian Government. This new specialty steel plant is expected to produce about 80,000 tons of ingot or 48,000 tons of finished steel. It will be so laid out that it can be expanded to 160,000 tons and ultimately to 300,000 tons of ingots a year. The pattern of production outlined for the first stage of 80,000 tons is given in Table IV.

The first point of interest to Canada is that Atlas Steels Ltd. has been appointed to supply knowhow and technical training for this plant. The second is that equipment and capital goods worth about $30 or $35 million are likely to be purchased by public tender and some of this business might come within the capacity of Canadian manufacturers.

The Engineering and Equipment Division, Commodities Branch, Department of Trade and Commerce, Ottawa, will have full information on the tenders as they appear. •

COMMODITY NOTES

Asbestos Tubing

MEXICO—Mexalit del Norte, S.A. de C.V., has begun construction of a $1 million plant in Chihuahua to produce 1,600 tons of asbestos tubing a year. Cementos de Chihuahua will supply the cement, which represents 75 per cent of the raw material required—Mexico City.

Cathode Tubes

ARGENTINA—A new plant to produce cathode tubes for television sets will be established by Industrias Plasticas y Electrónicas de Cordoba in the town of Jesús Maria, Province of Cordoba—Buenos Aires.

Copper and Bronze

ARGENTINA—Copper and bronze products, including sheets, strips, tubes and electric wires and cables, will be manufactured soon near Buenos Aires by a combination of United States, Swedish, and Argentine firms. Cost of the plant is estimated at U.S.$11.9 million. The participants include the official Argentine Government organization, Fabricaciones Militares; a private Argentine firm, Garovaglio y Zorraquin; the Swedish firm, Skenska Metallverken, and the U.S. company, the Phelps Dodge Corporation. The latter will put up U.S.$3.8 million of the capital, and Fabricaciones Militares U.S.$5 million, mostly in the form of buildings, land, machinery and equipment—Buenos Aires.

Diesel Electric Locomotives

MEXICO—Fairbanks-Morse Company plans to erect a $30 million plant in Mexico to build diesel and electric locomotives. The factory, to be built at Celaya, Guanajuato, will supply the Mexican Republic and other members of the Latin American Free Trade Association. The new plant will produce all types of parts and replacements in order to guarantee efficient service. Mexico already builds railway freight cars and it is felt that the two industries will complement each other—Mexico City.

Dried Fruit

IRAN—Reports indicate that the 1961 Iranian dried fruit crop will be better than average, despite a drop in date production. The raisin crop is estimated at 60,000 metric tons, up 20,000 tons from 1960. The

apricot crop is expected to be up 300 per cent, from 3,500 to 10,600 metric tons. The 120,000-metric-ton estimate of date production, however, represents a 20,000 ton drop from 1960. Good crops are also reported from Turkey and Greece and this will mean keen competition for Iranian producers—Tehran.

Maté

BRAZIL—Exports of maté in 1960 totalled nearly U.S.$9 million compared with U.S.$12.7 million in 1959, a drop of 30 per cent. Leading importers of this commodity are Argentina (41 per cent), Chile (23), South Africa (22), and Uruguay (13)—Rio de Janeiro.

Paper

CEYLON—The Eastern Paper Mills Corporation, which recently employed a Canadian consulting firm to improve output, etc., expects to produce the entire Ceylonese requirements of exercise books, 24 million a year, now that its new exercise-book manufacturing machine at Valaichenai has started functioning. The machine can turn out 6,000 books per hour and they will sell at lower prices than now prevail. Ceylon imports most of her present requirements from the United Kingdom, Communist China, Netherlands, Belgium, Pakistan, India and Japan—Colombo.

HONG KONG—A new H.K.$10 million paper mill is to be established in Hong Kong by the Atlantic Paper Products Co. Ltd. Two plants will be erected, one turning out corrugated paper and boxes and the other all kinds of paper. They will be equipped with machinery from Germany and Japan. Construction is to start next year—Hong Kong.

SPAIN—A capital increase from 45 million to 300 million pesetas in Papelera Navarra S.A. is being aided by a 150 million peseta investment by a leading Swedish pulp and paper manufacturer. A factory is being assembled in Sangüesa (Navarra) to produce 30,000 tons of wrapping paper a year. Raw materials will be beech and wild pine shavings from sawmills, plus 10,000 tons of straw a year—Madrid.

Plastics

HONG KONG—Hong Kong's plastics industry is undergoing a boom because of increasing orders from overseas buyers for plastic pearls, toothbrushes, flowers and toys—Hong Kong.

Polypropylene

JAPAN—A new polypropylene plant recently built by Tokuyama Soda Co. Ltd., in the city of Tokuyama will have an annual capacity of 2,000 metric tons, and will use propane gas as raw material. The company has completed the first stage of test production for stockings, blankets, fishing nets, plastic containers, and photographic film. It is to produce further test material to investigate market prospects. If results prove satisfactory, the company will build another plant with an annual output of 10,000 tons by the summer of 1963, and by the summer of 1964 production will reach 20,000 tons a year—Tokyo.

Pulp Machinery

BRAZIL—Cia. Federal de Fundicao, of which the United States company Parsons & Whitemore is a shareholder, has recently sold complete factory installations worth U.S.$60,000 to Argentina for the production of wood pulp. This company has in the past made similar sales to Peru, Uruguay and Tunisia—São Paulo.

Quebracho

PARAGUAY—Paraguayan Government concessions to the quebracho extract industry include exemptions from surcharges, prior deposits, customs duties and sales taxes on imports of all products required by the industry with the exception of petrol; exemptions from surcharges on tannin exports, and exemption from payment of exchange surcharges—Montevideo.

Railway Equipment

BRAZIL—American Car and Foundry Industries will supply U.S.$3.3 million worth of railway equipment, consisting of 18 multiple-unit electric carriages, to the Rede Ferroviaria Federal (Brazil's national railroad). Financing will be provided by the Export-Import Bank of Washington under the terms of the U.S.$100 million loan made to the Rede Ferroviaria Federal in 1958—Rio de Janeiro.

Rice

SPAIN—This year's rice crop is expected to approximate 400,000 tons, the same volume as last year. The anticipated surplus of some 100,000 tons will largely be exported. So far this year, 80,000 tons have gone out of the country, mainly to the Middle and Far East and South Africa. However, an exceptionally large rice crop reported this year in Japan will affect Spanish exports to that market—Madrid.

Textiles

SOUTH VIETNAM—Textile production in South Vietnam reached 100 million meters in 1960. This threefold increase in output since 1956 was facilitated by expansion from 5,000 to 15,000 looms over the four-year period—Hong Kong.

Tobacco

SOUTH AFRICA—South Africa produced 59.9 million pounds of tobacco during the crop year 1960/61,

compared with 77.8 million in 1959/60. The estimated crop for 1961/62 is 56.1 million pounds. Of the current season's production, nearly 90 per cent came from Transvaal Province.

Exports during 1960 totalled 9.9 million pounds, compared with 4.4 million in 1959. They were undertaken at heavy financial loss which was met from the special-levy funds of the Tobacco Control Board. In 1959/60 the Board limited its contribution to a certain percentage and the co-operatives were compelled to contribute the remainder. The Board has, however, accepted full responsibility for the losses in 1960/61; they amounted to about £1 million. Exports consisted of about 80 per cent flue-cured, 16 per cent light air-cured, and 4 per cent dark air-cured tobacco.

By the end of 1961, there will be an estimated 33.4 million pounds of unsold leaf tobacco in the packhouses of co-operatives.

In 1960 South Africa imported 5.3 million pounds of leaf tobacco, 1.5 million pounds of cigarette tobacco, and 78,396 pounds of processed tobacco—Cape Town.

Wool

HONG KONG—Local sales of woollen materials are not expected to be good this winter. Large shipments from Europe, Japan and the United States are anticipated, but demand in many South East Asian countries is falling and sales will probably depend entirely on local consumption and tourist purchases—Hong Kong.

Zinc

MEXICO—The Belgian firm, Sybetra, and the Mexican Minister of National Resources have signed an agreement for the construction of an $18 million zinc smelter at Saltillo, Coahuila, using the Belgian (Overpelt) process. The plant will have a zinc refining capacity of 30,000 tons a year and will produce approximately 60,000 tons of sulphuric acid. It will also be available for the recuperation of other metals, such as gold, silver and cadmium. The newly formed company, Zincamex, will be owned and operated by the Mexican Government and is expected to be in operation by 1964—Mexico City.

Telephone Numbers Changed

EFFECTIVE November 27, all federal government telephone locals in Ottawa that began with the prefix 6 now begin with the prefix 2. For example, if you wish to call the editor of Foreign Trade *(formerly local 6-6588), you now dial 9 (to get the government exchange) and then 2-6588. Only the 6-prefix locals are changed; all others remain as before.*

Documentation for Europe

European Division
International Trade Relations Branch

MOST of the countries in Europe specify in detail th[e] data that should be given in the documents require[d] for freight shipments. Many of them also require sani[-]tary or other special certificates covering imports o[f] animals, plants, foodstuffs, etc. The documentation re[-]quired for shipments by parcel post or air cargo t[o] European countries are generally similar to those fo[r] freight shipments.

Most European countries control the import o[f] some or all commodities from the dollar area, includin[g] Canada. Canadian exporters would therefore be we[ll] advised not to ship their goods until they are assure[d] that the importer has obtained an import licence, if it i[s] needed.

The following table lists the documents required fo[r] freight shipments to those European countries outsid[e] the Soviet orbit. It also shows briefly the main require[-]ments to be observed in preparing these documents. I[t] is intended merely as a guide to the kind of document[s] that each country requires and the minimum numbe[r] of these necessary for customs clearance. (Furthe[r] information is given in the notes following the table.[)] Exporters should bear in mind that their Europea[n] customers, the forwarders, banks, etc., may ask fo[r] further copies.

Unless the table indicates otherwise, there are n[o] requirements as to the form of the documents, language[,] weights or measures, and no certification or consula[r] legalization is needed. Hence there are no consular fee[s] involved.

Full details on sanitary or other certificates neede[d] and on special regulations covering parcel post or ai[r] cargo shipments are given in the series of leaflets o[n] *Shipping Documents and Customs Regulations* pre[-]pared by the International Trade Relations Branch o[f] the Department for all the countries listed in the tabl[e] except Yugoslavia. For copies, write directly to th[e] Branch.

ABBREVIATIONS

C.I.—Consular Invoice; Com. I.—Commercial Invoice; C.O.—Certificate of Origin; B.L.—Bill of Lading.

Country	Documents Required	No. of Copies	Notes (see below)
Austria	Com. I.	2	9
	B.L.	1	
	C.O.	1	13
Belgium	Com. I.	1	9
	B.L.	1	
	C.O.	1	3, 13
Denmark	Com. I	2	
	B.L.	1	
Finland	Com. I.	2	
	B.L.	2	
	C.O.	1	3, 13
France	Com. I.	2	7
	B.L.	1	
	C.O.	1	3, 13
Germany (West)	Com. I.	2	9
	B.L.	1	
	C.O.	1	3, 13
Greece	Com. I.	8	2, 5, 15
	B.L.	2	
	C.O.	1	2
Iceland	Com. I.	2	6, 9
	B.L.	2	
Italy	Com. I.	3	5
	B.L.	1	
Netherlands	Com. I.	2	10
	B.L.	1	
Norway	Com. I.	2	10
	B.L.	1	
Portugal	Com. I.	1	
	C.I.	3	1, 14
	B.L.	2	
	C.O.	2	1, 13
Spain	Com. I.	4	9
	B.L.	1	
	C.O.	3	1, 8, 13
Sweden	Com. I.	2	11
	B.L.	1	
Switzerland	Com. I.	1	7, 9, 12
	B.L.	1	
	C.O.	1	3, 4, 9, 13
Yugoslavia	Com. I.	2	
	B.L.	1	
	C.O.	1	3, 13

NOTES

1. Requires consular legalization.

2. Consular legalization may be required in certain cases.

3. Requires certification by a Chamber of Commerce or similar organization.

4. Must be in language of the importing country.

5. If language of the importing country is not used, a translation may be required at the discretion of the Customs.

6. Should be in English or accompanied by a translation into English.

7. Should be in French or both English and French.

8. Should be in English or Spanish, but Spanish officials prefer the latter.

9. Weights and measures must be stated in metric units.

10. Standard Canadian weights and measures may be used, but use of the metric system is preferable.

11. Commercial invoice is required only for goods dutiable at ad valorem rates, but desirable for other goods as well.

12. Commercial invoice is not obligatory, but desirable to supply shipper with information required for Customs declaration.

13. Certificate of origin is only required in certain cases.

14. The consular invoice, known as "declaration of cargo", must be in a prescribed form obtainable from commercial stationers.

15. One copy of the marine insurance policy should be included whenever the insurance charges have been paid by the exporter on behalf of the importer.

Australia

SNOWY SCHEME CONTRACTS—Three contracts have been let and work begun on an A£2.75 million section of the Snowy Mountains hydroelectric scheme. The contracts went to the joint U.S. company of Utah Construction and Engineering Pty. Ltd., and Brown and Root Sudamericana Ltd. They will cover the 15-mile Eucumbene-Snowy tunnel connecting the Snowy River at Island Bend with Lake Eucumbene, the Island Bend dam that will divert the Snowy River into the tunnel system at Island Bend, and the Snowy section of the Snowy-Geehi tunnel.

The new contracts mark the first major stage of the Snowy-Murray development and are the first of seven contracts that will ultimately be let, involving a chain of projects linking Lake Eucumbene on the eastern side of the main range with the Murray Catchment on the west. The four remaining works in the chain (two of which have already been called) will involve expenditures of a possible further A£30-35 million—Sydney.

Colombia

ALLIANCE FOR PROGRESS—The Colombian Government has published a list of projects that it hopes to carry out with financial assistance totalling U.S. $173.3 million under the *Alliance for Progress.* Some of these should offer opportunities for Canadian exporters: self-help housing construction, a plan to assist low-income groups build their own dwellings (assistance requested, U.S.$31.4 million); construction of urban waterworks and sewerage systems ($53.7 million); rural water-supply facilities ($15.8 million); hospital and health centres ($28.9 million); primary schools and teacher training facilities ($40.3 million); and training of community leaders (the United States Peace Corps plan is to work through local community-action groups) ($3.2 million). The total assistance requested represents only 39 per cent of the cost of the projects envisaged. The Colombian Government will provide the remainder—Bogotá.

France

FRENCH FOREIGN EXCHANGE RESERVES—Gold and foreign exchange reserves in France increased by $995 million during the first seven months of 1961. Total reserves at July 31 amounted to $2,965 million, says *Le Monde.*

The strong reserve position has led the Government to repay ahead of schedule all the outstanding foreign debts that France has contracted with other European countries within the framework of the European Payments Union. When these EPU commitments, which amount to $303 million, have been repaid, the medium- and short-term external debts of France will be completely amortized. The remaining external debt, all long-term, amounts to nearly $1,800 million, of which $1,400 million is owed to the United States, $140 million to Canada, and $220 million to the International Bank for Reconstruction and Development—Paris.

Hong Kong

TOURISM INCREASES—The tourist industry in Hong Kong is now the Colony's second largest source of foreign exchange, after garment and textile exports. A number of new luxury hotels have recently opened and more are under construction; a new air terminal, restaurants, air-conditioned sightseeing buses and water-tour ships are being built. There are at present 3,369 hotel rooms in Hong Kong, and this figure is expected to increase to 4,500 by 1962 and to 8,000 by 1964—Hong Kong.

India

FISHERIES DEVELOPMENT—The Indian Government has allocated $57 million for fisheries development under the Third Five Year Plan, $14 million of which is earmarked for Central Government schemes. Fisheries contribute $120 million a year to national income at present, and provide employment for over a million workers. Production target for the end of the Plan is 1.8 million tons, compared with 1.2 million tons in 1960 and 500,000 in 1950—New Delhi.

Jamaica

HOUSING DEVELOPMENT—The four middle-income housing development schemes now under construction in Jamaica will have a combined retail value of about Can.$21 million when completed. The Jamaican Ministry of Housing and Social Welfare is planning to spend an additional $6 million on low-cost housing in the 1961-62 fiscal year to alleviate the chronic housing shortage—Kingston.

New Zealand

TENDER PRICES MADE PUBLIC—In the future, tenders on government contracts will be made public in New Zealand where the amount of the tender exceeds £10,000. Past practice has been to release the name of the successful tenderer only, and that only to other tenderers for the contract.

For large tenders, the name of the successful bidder and the contract price will be published in the official

Gazette after he has been notified. In contracts of wide public interest, press statements will be issued. For contracts under £10,000, the name of the successful tenderer and the price will be disclosed to other tenderers on request. This approximates past practice, except that the price will now be available—Wellington.

Portugal

NUCLEAR CENTRE ESTABLISHED—Portugal's new nuclear physics and engineering laboratory, recently completed, will offer physical, chemical, metallurgical and a wide range of other services associated with the atomic energy field.

This project is part of a long-term nuclear development program begun in 1954 under the direction of the Junta de Energia Nuclear. It has involved training technicians, establishing international contacts, prospecting for radioactive materials, encouraging and subsidizing the setting up of study centres, and planning and building the Nuclear Centre.

Included in the new centre is a pilot plant with a capacity of 15 tons of pure uranium per year and a "swimming pool" reactor with a 1,000 kw. potential. The reactor and a Van Graff accelerator for the Physics Service were supplied by United States firms, the pilot plant by France and a Cockcroft and Walton accelerator by the Netherlands—Lisbon.

HYDROELECTRIC WORKS—The $28 million Miranda do Douro dam and underground power station situated on the stretch of the upper Douro River that forms the frontier between Spain and northeast Portugal, were inaugurated in July. The annual capacity of 810 million kilowatt hour is provided by three groups of Francis generators, each of 80,000 horsepower, coupled with three-phase alternators of 60,000 kilovolt amperes each. This dam and the Picote dam on the same river account for 13 per cent of the entire Portuguese hydroelectric output. Within the next three years the Bemposta dam and power station will be completed and will provide a further 990 million kilowatt hours. The Picote and Miranda do Douro dams provide power for the steel industry which came into production last May—Lisbon.

Trinidad

TELEVISION STATION LICENSED—The Premier of Trinidad and Tobago recently announced that a television licence had been granted jointly to Rediffusion (West Indies) Ltd., and Scottish Television Ltd. (U.K.) to establish the Trinidad & Tobago Television Service Ltd. Its station is to be in operation by November 1962 and is expected to provide the first television in the British West Indies. The Government is subscribing 10 per cent of the capital and will have one representative on the board of directors. Service, initially for Port-of-Spain, will later be extended to all of Trinidad and Tobago.

The agreement between the Government and the company limits commercial advertising to 12½ per cent of broadcasting time and assures impartial news service, educational programs, specified free time for government broadcasts, and a well-balanced program, including a reasonable proportion of cultural, informative, educational, religious and entertainment material—Port-of-Spain.

INVESTMENT IN INDUSTRY—Up to the end of August 1961 the Trinidad Government had approved 125 establishments for Pioneer Industry aid, of which about 100 are still active. Canadian capital has gone into nine of these companies, involving manufacture of pharmaceuticals, essential oils, solid carbon dioxide, boys' and men's neckwear, metal building components, galvanized iron corrugated sheets, processing of dried peas and mechanical batching and mixing of concrete —Port-of-Spain.

West Germany

VENDING MACHINE SALES—Sales through slot and vending machines are becoming increasingly popular in West Germany. They jumped to DM2,000 million last year as against only DM2 million in 1950. Cigarettes are the favourite item bought from vending machines; chocolate and candy comes next—Bonn.

Trade Commissioners on Tour

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Khartoum from January 15-20.

R. A. BULL, Acting Commercial Secretary in Bogotá, Colombia, will visit Cali December 19-20.

F. B. CLARK, Commercial Counsellor in Mexico City, will visit Durango, Torreon and Chihuahua in central Mexico, from January 8-12.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from January 22-26.

J. R. MIDWINTER, Commercial Secretary in Santiago, Chile, will visit Concepcion from December 18-20, and Valdivia, Osorno, Puerto Montt and Punta Arenas from January 3-12.

M. T. STEWART, Commercial Counsellor in Madrid, Spain, will visit Gibraltar during the last week in January.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Bull at Bogotá, Mr. Clark at Mexico City, Mr. McLane at Glasgow, Mr. Midwinter at Santiago and Mr. Stewart at Madrid.

Venezuela's Agricultural Imports

Government programs for increasing local agricultural production are changing the pattern of imports in Venezuela; just what these changes are, and how they may affect the Canadian exporter, is outlined in this article.

J. E. MONTGOMERY, *Assistant Commercial Secretary, Caracas.*

VENEZUELAN agriculture has undergone some radical changes since 1959. The Ministry of Agriculture and other government agencies have been working to increase local foodstuffs production to give greater social stability to the farm community and to avoid reliance on food imports. In spite of this, a growing population has created demands that in many instances can be met only by foreign purchases. Moreover, increased credits to agriculture have stimulated sales of equipment and machinery.

Reform Measures

The Venezuelan Government is carrying out its agrarian reform program of 1959 through the Ministry of Agriculture and Livestock and two autonomous agencies — the Agriculture and Livestock Bank and the National Agrarian Institute. The Institute's main project has been the settling of landless small farmers on government land or expropriated private land for which the owner receives compensation. It also provides credits for housing and rural sanitation works.

The Agriculture and Livestock Bank provides financing for these projects and is taking steps to improve the distribution and marketing of farm products, which has not kept up with increases in production. Recent action includes the formation of co-operatives and the building of access roads in rural areas and a network of abattoirs and cold-storage warehouses. The Bank is the sole importer of several commodities, such as beef, corn, rice, cotton and potatoes (both seed and tablestock), when needed to supplement local production.

The extent of some of the loans and credits it grants is shown in the accompanying table.

Most of these credits are used to finance seed and machinery purchases and for farm buildings. In addition to loans, the Government, acting through the Bank, in 1960 purchased crops and sold them through the government-owned network of low-priced retail food outlets. This program was financed by credits from the Central Bank and the Agriculture and Livestock Bank totalling Bs.224 million.

These large sums of capital are provided locally; in addition, the Government is trying to obtain foreign assistance. It is negotiating with the Inter-American Development Bank for credits totalling Bs.84.4 million for public works in farm communities, for agricultural machinery purchases, well-drilling, pump installations, and crop improvements. It has already obtained a $12 million grant for its program of building farmhouses and rural schools.

Production and Demand

Agricultural production in Venezuela has slowly increased in the past few years but there are surprising contrasts between commodities. The export crops, coffee and cocoa, have declined in the last two years —Venezuela normally exports 30 to 65 million kilograms of coffee and 12 million kilograms of cocoa a year. Large quantities of oil-producing crops (mainly copra, sesame, peanuts and soybeans) are used, but sesame and copra production has fallen off, making large imports necessary. Peanut crops have been increasing rapidly but large quantities are still imported. All soybeans are imported. Sugar has always been a staple, if erratic, crop and the country is now self-sufficient in sugar.

Production of the major field crops—corn, rice, black beans and vegetables—has suffered from lack of finances and labour shortages; staples in the Venezuelan diet, these crops fluctuate widely from year to year and large purchases abroad will be required this year to meet demand. Few fresh vegetables are imported. Tablestock potatoes are brought in only when local production falls short and large imports are not expected this year. Tobacco production has gone beyond local needs and only small quantities will be brought in in the future.

ALB LOANS AND CREDITS

Credits and Loans	1959	1960	1961*
	(millions of bolivars)		
To small farmers	56.9	75.5	77
To agricultural industries	128.8	46	48
To the Ministry of Livestock for agricultural promotion	44	21.5	N/A

*Estimated.

Output of milk and dairy products has risen rapidly; Venezuela now is self-sufficient in butter but still needs large imports of evaporated, condensed and powdered milk. Meat and egg production continues to mount. Beef is only imported when local supplies are short but pork does not keep pace with demand and frozen pork is imported in large quantities. Egg imports will likely be made to cover temporary shortages only.

Trade Prospects

Canada has supplied Venezuela with agricultural products for some time, but in the last two or three years the pattern of our agricultural sales to Venezuela has changed. The changes are attributed to the agrarian reform program and the development of local industry through government encouragement. An outstanding example was the switch from flour to wheat imports. The current situation is summarized below.

• *Potatoes*—Seed potatoes are one of Canada's best-known exports to Venezuela and we continue to enjoy the largest share of the market. Spot sales of tablestock are made from time to time to supplement local production.

• *Other Seeds*—Prospects for other vegetable and forage-crop seeds are much less promising.

• *Pork*—Frozen pork cuts present the most attractive prospects. In October 1960 canned and cured hams were placed under import licensing and in January 1961 other canned pork products were included. As a result, a local canned pork products industry has been established but local pig production does not meet requirements and Canada has enjoyed a major share of the market. The local industry requires imports estimated at 130 short tons a month of frozen pork shoulders, 25 tons of hams, 37 tons of bellies and 20 tons of pork loins.

• *Eggs and Poultry*—The Government will grant no more licences for egg imports unless local supplies run short and this important market for Canadian eggs will therefore decline. There are limited opportunities for sales of fertile eggs and poultry farm equipment. In poultry meat, Venezuela is largely self-sufficient.

• *Milk*—Opportunities for sales of powdered skimmed milk, condensed and evaporated milk and, to a more limited extent, powdered whole milk are good. Import licences for 2½ units of powdered whole milk are granted if importers can prove they have purchased one unit of local production; this ratio may be reduced further as new plants now under construction come into production. End users of skimmed milk powder must obtain import licences but these are granted freely since there is little local production. Licences for canned milk are easy to obtain.

• *Canned Fruit and Vegetables*—Local trade circles are actively interested in Canadian apples and apple juice. Imported canned fruit and vegetables must now compete with local canners and with the well-established United States brands. On the other hand, there are prospects for imports of fruit pulp and concentrated juices for local canning plants and confectionery manufacture.

• *Cattle*—Canada has been a major supplier of dairy cattle to Venezuela for many years, largely because of the Government's desire to develop the dairy industry. The preference now is for the Brown Swiss breed but opportunities exist for other breeds too, particularly Holstein-Friesian. The exporter, however, must demonstrate a breed's superior productivity and ability to adapt to the warm climate.

• *Hogs*—The market for the bacon-type hog has increased in importance. Most hogs are reared without shelter here and dark-skinned breeds, such as the Large English Black or Tamworth, are preferred. This market should develop if there is a steady supply of hogs under three months of age.

• *Agricultural Machinery*—Introducing new lines of heavy machinery into Venezuela is difficult at present, but there are sales prospects for small farm equipment not requiring a large stock of replacement parts. Credits advanced to small farmers under the agrarian reform program have stimulated the market for this type of equipment.

Selling in Venezuela

Agricultural products imported into Venezuela are normally sold by exclusive agents of the foreign suppliers. These agents range from small commission houses to large distributors but experience has shown that it is essential to have an agent, and a reliable one, in this market.

Canadian suppliers interested in exporting agricultural equipment and related commodities to Venezuela would do well to contact the Commercial Counsellor, Canadian Embassy, Caracas. His experience will be of considerable help in analyzing the market and making local contacts.

Tours of Commodity Officers

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

FAIRS AND EXHIBITIONS

Peru's Pacific Fair

THE size and scope of the Pacific International Trade Fair, Lima, Peru, (October 12-29) was impressive and the international section was particularly imposing, reports the Canadian Trade Commissioner there. Companies from all over the world presented displays of their products; there were about 2,000 exhibitors. Several countries in addition to Canada erected national pavilions: Argentina, Austria, Brazil, Britain, Chile, Taiwan, Colombia, Germany, Italy, Korea, Mexico, the Philippines, Switzerland, and the United States. Some of these pavilions were large ones—five to ten times the size of Canada's. Other countries erected their displays in the fair buildings. Crowds, especially on weekends, were "overpowering"; over 700,000 attended.

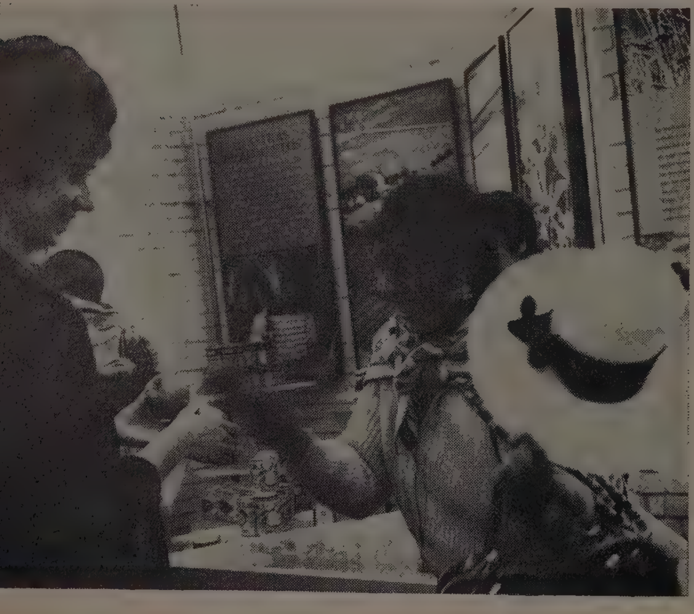
Canada's pavilion measured 63 by 67 feet and was well designed. Sixty-one firms displayed a wide range of products that aroused a great deal of interest and many serious inquiries were received from business visitors from the South American countries. Some Canadian exhibitors have already made agency arrangements and others are investigating the market further.

Foods at Cologne

THE Provisions and Fine Foods Exhibition (ANUGA), Cologne, West Germany, held September 23 to October 1, lived up to its reputation as the biggest food fair of its kind in the world—it filled ten huge buildings and attracted 500,000 visitors. Buyers came from many countries and they had the show to themselves for the first three days. After that, the general public flocked in also.

Canada entered this biennial show in 1961 for the second time, with a display of fish, farm and other products. Officers manning our display of poultry products were particularly pleased with the reception given the Canadian products. In finish and packaging, in uniformity of size and quality, they were "second to none". Certain processing techniques now in general use in the Canadian industry were entirely new to European visitors, the officers report. Demand for first-quality products is growing in Germany and the rest of Western Europe to the point where many customers are now prepared to pay a modest premium for them.

Sixty-one Canadian firms took part in this year's Pacific International Trade Fair in Lima, Peru, with exhibits ranging from food products, like this one, to power shovels and dolls.



Metal Show, Detroit

THE 43rd National Metal Exposition and Congress of the American Society for Metals in which Canada participated with a composite stand for 14 exhibitors was held in Detroit for the first time since 1951 from October 23-27. Organizers, exhibitors and visitors alike counted it an unqualified success.

In addition to the displays covering an area of 200,000 square feet in Cobo Hall—they were visited by some 22,000 people, mainly "men of metal"—62 engineering sessions were held at which 267 technical papers were read. The whole affair was acclaimed not only for the quality and attractiveness of the displays, but for the calibre of the visitors. They came to see, to learn, and to talk business.

It is also of interest that some 200 British engineers, scientists, industrialists and economists came from New York for a quick swing through the Cleveland, Detroit and Chicago areas. They had a good look at the Exposition and at the same time participated in the technical meetings. In addition to these visitors from Britain, some Germans, Italians, French and Japanese attended.

The Canadian stand attracted a great deal of attention, evoking much favourable comment, and it received individual treatment, photographically, in the press; it was the only one set back from the gangways permitting easy access to the several booths, and it was among the few whose design seemed to "flow with beauty and grace", as one decorator from Chicago put it. This was only one of the many compliments received, both by exhibitors and officials in charge of the stand.

The Canadian exhibitors themselves were particularly enthusiastic. They were pleased with the location of the stand and its make-up, the quality of the visitors it attracted, and the number of contacts made. One commented, "I feel the time and effort expended were

well worth it. We have made many contacts." Another said, "The way in which our product was exhibited has resulted in many inquiries and favourable comments which we feel should ultimately aid the widespread use of our product." Another: "Promising leads were received and these will be followed up immediately. We certainly feel we accomplished a great deal. We would like to have 100 or 200 copies of the booklet, *Canada Exhibits Metals and Metal Products at Detroit*, for distribution in the United States."

One very important fact was brought home to the newcomers—though there are sometimes problems in selling to the United States, in most instances these are not insurmountable. The possible competition was revealed and the steps to be taken to deal with it indicated. The exhibits increased the growing appreciation on the part of many Americans of the extractive and metal-manufacturing facilities available in Canada.

The exhibitors all showed keen support for Canada's participation in future shows and many of them intend to influence their colleagues and customers to take part next year in New York. Said one, "I did feel, however, that not enough Canadian companies took part in the show . . . I feel that Canada should take a greater interest in shows of this nature and there are many firms that might well take advantage of the opportunity."

—BLAIR BIRKETT,
Consul and Trade Commissioner, Detroit.

Packaging Materials, London

THE Department-sponsored Canadian exhibit in the International Packaging Exhibition, London, September 5-15, successfully displayed the products of 32 Canadian firms and company representatives went home well satisfied with the results of the show. Trade Commissioners on duty at the exhibit took 190 inquiries for the export of individual products from Canada; 150 of these originated in Britain and the remaining 40 in Australia, Belgium, France, Germany, India, Ireland, Israel, Japan, the Netherlands, Nicaragua, Pakistan, and Switzerland. Over 800 were also received at the individual booths. Several Canadian exhibitors made sales of machines and paper products right off their stands. One exhibitor had to phone Toronto halfway through the show for extra help in manning his booth, so great was the interest in his product. Businessmen in Britain and from the Continent were eager to obtain the agencies for several of the lines shown.

Many new ideas in packaging, packaging materials and packaging equipment attracted visitors—such as metal pouring spouts, fancy gift boxes, self-opening-satchel bags, rolled waxed shelf and freezer paper in boxes with a metal tear-strip, gift wrap in rolls, folding beer cartons, collapsible ice cream tubs and vacuum-forming machines. Others, such as jewellery and watch cases and plastic bottles, appealed because of their unusual design. Visitors were interested in the paper and paperboard displays. Many inquired about the import of disposable household containers and wrappers, and interest in folding paperboard and light wooden packaging for industrial uses also ran high.

Household Goods, Cologne

"THE International Household Goods and Hardware Fair, Cologne, is a first-class sales medium for Canadian companies interested in this field," writes the Canadian Trade Commissioner in Bonn. This fair will be held from February 23-26, 1962, and the Department of Trade and Commerce is sponsoring an exhibit; it includes products made by ten Canadian companies. Last February 1,668 firms from 16 countries exhibited; 363 of them came from countries other than Germany. Some 58,700 buyers registered, 7,900 of them from 58 foreign countries, though Western Europe provided the majority. The show featured kitchen and heating equipment, washing machines, wringers and dryers, refrigerators and accessories, household machines, small electrical appliances, locks and fittings, cutlery, tools, etc.

How good is the market tapped by exhibitors at this show? Commodity Officers of the Department of Trade and Commerce say it is a promising one. Prosperity in Germany and the other Common Market countries is creating a demand for well-designed, time-saving household goods and appliances. Many buyers are now prepared to pay more for quality products and the market is growing.

The Canadian display will include machines in operation on the stand, such as key-cutting machinery, washing machines, and hi-fi equipment. Electric and gas ranges, coin-operated washers, domestic gas dryers, chain saws, locksets, mailboxes, bathroom scales, kitchenware (such as step-on cans, breadboxes, canister sets and stainless steel cooking ware) portable coolers, reusable ice bags, camp stoves and lanterns, warm-air heating furnaces and oil burners, and freezers will complete the list of exhibits.

Lumber at Chicago

CANADA'S exhibit at the National Retail Lumber Dealers' Exposition, Chicago, November 4-7, presented the end-uses of Canadian woods more attractively even than in last year's model home, officers of the Department report. The two-storey 20-by-20-foot house, built to illustrate the variety of ways of using Canadian lumber in home construction, was the outstanding exhibit of the show. "The woods," one visitor said, "had great beauty; they were not slick. The lighting brought out their full quality." A pylon with "Canada" printed at the top rose the full two

storeys in front of the house. This sign was visible from all parts of the exhibition.

Manning the Canadian display were Commodity Officers of the Department and Trade Commissioners serving in Chicago, plus representatives of the Canadian Lumbermen's Association, the B.C. Lumber Manufacturers' Association, the Northern Interior Lumbermen's Association, and Celwood Industries Ltd., Abbotsford B.C. They received many inquiries and distributed a large number of sales promotion pamphlets.

More than 10,000 visitors registered at the show 80 per cent of them were retailers, 10-15 per cent wholesalers, and the remainder architects, manufacturers, etc. Only the trade was admitted.

FOREIGN TARIFFS AND TRADE REGULATIONS

Cuba

CONSULAR INVOICE REQUIREMENT DISCONTINUED—P. A. Savard, Commercial Counsellor in Cuba, has advised that the Cuban Ministry of External Relations has recently decreed that, effective November 17, 1961, the use of consular invoices as a required document to cover shipments to Cuba has been discontinued.

The Decree states that, where applicable, Cuban customs will collect the consular fees on arrival of the shipment concerned and base its calculations, as customary, on the f.o.b. value as shown on the commercial invoice. Since all imports are now being made by Cuba's import agency, Empresa Cubana de Importaciones, the only instances where collection of fees would apply would seem to be for non-commercial shipments consigned to private parties in Cuba, and samples having a commercial value which are brought in by commercial travellers visiting Cuba.

Provision is also made in the Decree to cover the transition period and, to this end, consuls are authorized to issue special certificates for this specific purpose, fee exempt, at the request of and where required by foreign shippers to obtain payment for shipments covered by letters of credit opened before enforcement of this Decree, and which specified consular invoices as one of the required documents—Havana.

Dominican Republic

CAPITAL CITY ON DOCUMENTATION—W. B. McCullough, Commercial Counsellor in the Dominican Republic, has advised that, effective November 24, 1961, the name of the capital city of the Dominican Republic has been changed from Ciudad Trujillo to Santo Domingo.

The Consul General of the Dominican Republic in Ottawa has advised that, although the new name should be used in place of Ciudad Trujillo on documents and cases of merchandise, there will be no penalty levied on exporters during the immediate period of transition for incorrect designation of the Dominican Republic's capital city. On all future shipments to Santo Domingo, however, the correct name should be used to avoid delays.

France

IMPORTS OF APPLES AND PEARS—The French Government has announced that imports of table apples and table pears into France will be permitted, without limitation as to quantity, during the period April 1, 1962, to May 31, 1962—Paris.

Norway

NEW IMPORT LIBERALIZATION SCHEME—The Norwegian Department of Commerce has drawn up a plan for the liquidation of the remaining import restrictions on industrial goods from the free list area, including Canada. According to this plan, the liquidation of restrictions will take place in three stages.

The majority of commodities will be free listed as early as January 1, 1962. This applies to chocolate goods, porcelain and faience, glass goods, large refrigerators (not for household use), and plywood. The articles in the second group, including vegetable oils, biscuits, soap powder, etc., will be free listed on July 1, 1962. The third group, including hardened fats, sheets made of wood shavings, refrigerators for household use, and television receiving apparatus, will be free listed at the end of 1962.

In the case of a very few commodities, such as wood tar, wood charcoal and rice grits, special circumstances are involved and the Department of Commerce will make further investigations before establishing the liberalization date.

Geographical Listing for Exporters

Need Information on Foreign Markets?

You can get it from the Trade Commissioner posts around the world, or from the International Trade Relations Branch in Ottawa. This breakdown tells you which TC post and which ITR Division is responsible for the country in which you are interested.

Country covered by	TC Post and	ITR Division
Aden	Cairo	Commonwealth
Afghanistan	Karachi	Asia and Middle East
Alaska	Vancouver	United States
Albania	Vienna	Europe
Algeria	Paris	Europe
Angola (Portuguese West Africa)	Leopoldville	Europe
Argentina	Buenos Aires	Latin America
Aruba	(see Nether-lands Antilles)	(see Nether-lands Antilles)
Australia	Sydney, Mel-bourne and Canberra	Commonwealth
Austria	Vienna	Europe
Azores	Lisbon	Europe
Bahamas	Kingston	Commonwealth
Balearic Islands	Madrid	Europe
Barbados	Port-of-Spain	Commonwealth
Basutoland	Johannesburg	Commonwealth
Bechuanaland	Johannesburg	Commonwealth
Belgium	Brussels	Europe
Bermuda	New York	Commonwealth
Bhutan	New Delhi	Asia and Middle East
Bolivia	Lima	Latin America
Bonaire	(see Nether-lands Antilles)	(see Nether-lands Antilles)
Borneo (North)	Singapore	Commonwealth
Brazil	Rio de Janeiro and Sao Paulo	Latin America
Britain	London Liverpool Glasgow Belfast	Commonwealth
British Guiana	Port-of-Spain	Commonwealth
British Honduras	Kingston	Commonwealth
British Solomon Islands	Sydney	Commonwealth
British West Indies	Kingston and Port-of-Spain	Commonwealth
Brunei	Singapore	Commonwealth
Bulgaria	Vienna	Europe
Burma	Singapore	Asia and Middle East
Cambodia	Hong Kong	Asia and Middle East
Cameroon Republic	Paris	Europe
Canary Islands	Madrid	Europe
Cape Verde Islands	Lisbon	Europe
Cayman Islands	Kingston	Commonwealth
Central African Republic	Leopoldville	Europe
Ceylon	Colombo	Commonwealth
Chad	Leopoldville	Europe
Chile	Santiago	Latin America
China, Communist	Hong Kong	Asia and Middle East
China, Republic of (Taiwan)	Manila	Asia and Middle East
Christmas Island (Indian Ocean)	Sydney	Commonwealth
Cocos-Keeling Islands	Sydney	Commonwealth
Colombia	Bogota	Latin America
Congo	Leopoldville	Europe
Congo (French Community)	Leopoldville	Europe
Cook Islands	Wellington	Commonwealth
Costa Rica	Guatemala City	Latin America
Cuba	Havana	Latin America
Curacao	(see Nether-lands Antilles)	(see Nether-lands Antilles)
Cyprus	Athens	Commonwealth
Czechoslovakia	Vienna	Europe
Dahomey	Paris	Europe
Denmark	Copenhagen	Europe
Dominican Republic	Santo Domingo	Latin America
Ecuador	Bogota	Latin America

Country covered by	TC Post and	ITR Division
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America
England	London and Liverpool	Commonwealth
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	Leopoldville	Europe
Gambia	Accra	Commonwealth
Germany	Bonn, Dusseldorf, Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Goa	Bombay	Europe
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Paris	Europe
Haiti	Port au Prince	Latin America
Hawaii	San Francisco	United States
Honduras	Guatemala City	Latin America
Honduras, British	Kingston	Commonwealth
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi and Bombay	Commonwealth
Indonesia	Djakarta	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Northern	Belfast	Commonwealth
Ireland, Republic of	Dublin	Commonwealth
Israel	Athens	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Paris	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East
Jordan	Beirut	Asia and Middle East
Kenya	Salisbury	Commonwealth
Korea	Tokyo	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonwealth
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxembourg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malaya, Federation of	Singapore	Commonwealth
Maldive Islands	Colombo	Commonwealth
Mali, Republic of	Paris	Europe
Malta	Rome	Commonwealth
Martinique	Port-of-Spain	Europe
Mauretania, Republic of	Paris	Europe
Mauritius	Johannesburg	Commonwealth
Mexico	Mexico City	Latin America
Monaco	Paris	Europe
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	(see Surinam)	(see Surinam)
New Caledonia	Sydney	Europe
New Guinea, Northeast and Papua	Sydney	Commonwealth
New Hebrides	Sydney	Europe
New Zealand	Wellington	Commonwealth
Nicaragua	Guatemala City	Latin America
Niger, Republic of	Paris	Europe

Country covered by	TC Post and	ITR Division
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Montevideo	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese East Africa	(see Mozambique)	(see Mozambique)
Portuguese Guinea	Lisbon	Europe
Portuguese West Africa	(see Angola)	(see Angola)
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Rhodesia and Nyasaland, Federation of	Salisbury	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Rio Muni	Madrid	Europe
Ruanda Urundi	Leopoldville	Europe
Rumania	Vienna	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Samoa	Wellington	Commonwealth
Sarawak	Singapore	Commonwealth
Saudi Arabia (Red Sea and Aden)	Cairo	Asia and Middle East
Scotland	Glasgow	Commonwealth
Senegal, Republic of	Paris	Europe
Seychelles Islands	Salisbury	Commonwealth
Sierra Leone	Accra	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	Singapore	Commonwealth
Somalia	Cairo	Europe
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Tanganyika	Salisbury	Commonwealth
Thailand	Singapore	Asia and Middle East
Tobago	Port-of-Spain	Commonwealth
Togoland	Paris	Europe
Tonga	Wellington	Commonwealth
Trieste	Rome	Europe
Trinidad	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Salisbury	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Paris	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Wales	London	Commonwealth
West Indies, The	Port-of-Spain and Kingston	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zanzibar	Salisbury	Commonwealth

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .959520.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 4	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01257	94.61	
Austria	Schilling		.04035	24.78	
Australia	Pound		2.3445	.4265	
Bahamas	Pound		2.9306	.3412	
Belgium and Luxembourg	Franc		.02094	47.75	
Bermuda	Pound		2.9306	.3412	
Bolivia	Boliviano	Free	.00008887	11,252.24	
British Guiana	Dollar		.6105	1.64	
British Honduras	Dollar		.7327	1.36	
Brazil	Cruzeiro	Free	.003309	302.21	
		Special Category	†	†	
Burma	Kyat		.2189	4.57	
Ceylon	Rupee		.2198	4.55	
Chile	Escudo	Free	.9907	1.0094	
Colombia	Peso	Certificate	.1556	6.43	
Congo, Republic of.	Franc		.02094	47.75	
Costa Rica	Colon		.1573	6.36	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1447	6.91	
Denmark	Krone		.1515	6.60	
Dominican Republic	Peso		1.04219	.9595	
Ecuador	Sucre	Official	.05790	17.27	
		Free	.04878	20.50	
El Salvador	Colon		.4169	2.40	
Fiji	Pound		2.6404	.3787	
Finland	Markka		.003257	307.03	
France, Monaco, etc.	New Franc		.2124	4.71	(1)
Franco-African Republics, etc.	Franc		.004248	235.40	(2)
French Pacific	Franc		.01168	85.62	(3)
Germany	D Mark		.2604	3.84	
Ghana	Pound		2.9306	.3412	
Greece	Drachma		.03474	28.78	
Guatemala	Quetzal		1.04219	.9595	
Haiti	Gourde		.2084	4.80	
Honduras	Lempira		.5211	1.92	
Hong Kong	Dollar	Free*	.1835	5.45	*Nov. 24
		Official	.1832	5.46	
Iceland	Krona	Official	.02424	41.25	(4)
India	Rupee		.2198	4.55	
Indonesia	Rupiah	Official	.02316	43.18	(4)
Iran	Rial		.01376	72.68	
Iraq	Dinar		2.9181	.3427	
Ireland	Pound		2.9306	.3412	
Israel	Pound		.5790	1.73	
Italy	Lira		.001679	595.59	
Japan	Yen		.002895	345.42	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 4	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3275	3.05	
Mexico	Peso		.08338	11.99	
Morocco	Dirham		.2084	4.80	
Netherlands	Florin		.2900	3.45	
Netherlands Antilles	Florin		.5526	1.81	
New Zealand	Pound		2.9106	.3436	
Nicaragua	Cordoba	Effective buying	.1579	6.33	
		Official selling	.1479	6.76	
Nigeria	Pound		2.9306	.3412	
Norway	Krone		.1464	6.83	
Pakistan	Rupee		.2198	4.55	
Panama	Balboa		1.04219	.9595	
Paraguay	Guarani	Official	.008239	121.37	
Peru	Sol		.03885	25.74	
Philippines	Peso	Free	.3474	2.88	
		Official	.5211	1.92	
Portugal & Colonies	Escudo		.03637	27.49	(5)
Republic of South Africa	Rand		1.4653	.6824	
Singapore and Malaya	Straits Dollar		.3419	2.92	
Spain and Dependencies	Peseta		.01737	57.57	
Sweden	Krona		.2017	4.96	
Switzerland	Franc		.2415	4.14	
Syria	Pound	Free	.2915	3.43	
Thailand	Baht	Free	.04930	20.28	(4)
Tunisia	Dinar		2.5221	.3965	
Turkey	Lira		.1158	8.63	(4)
United Arab Republic	Pound	Official	2.9927	.3341	
United Kingdom	Pound		2.9306	.3412	
United States	Dollar		1.0421875	.959520	
Uruguay	Peso	Free	.09522	10.50	
Venezuela	Bolivar	Free	.2280	4.38	
		Official	.3115	3.21	
West Indies Fed.	Dollar		.6105	1.64	(6)
	Pound		2.9306	.3412	(7)
Yugoslavia	Dinar	Official	.001390	719.42	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

U.S. Moves to Aid Exporters

U.S. companies who wish to sell abroad on short or medium terms will now be able to obtain insurance against both political and commercial risks. Other assistance includes a special comprehensive guarantee for small exporters and more direct financing for medium-term transactions.

JOHN D. BLACKWOOD, *Assistant Commercial Secretary, Washington.*

LATE in October, President Kennedy announced two new programs for assisting United States exporters. One is a system of export credits insurance and the other a new program of medium-term export transaction guarantees, both formulated by the Export-Import Bank of Washington. The President's announcement stated . . . "The new programs are intended to be fully comparable with those offered abroad, particularly with respect to small and medium-sized export concerns and with respect to the financing of consumer goods imports."

Export Credits Insurance

Comprehensive short-term export guarantees will be provided through a group of private insurance companies. These companies, co-operating through a voluntary organization, the Foreign Credit Insurance Association, have entered into an agreement with the Export-Import Bank to provide a comprehensive risk policy insuring the payment of credits extended by exporters on short or medium terms against both political and commercial risks. The FCIA and the Eximbank in partnership will insure the commercial risks, and the Eximbank will underwrite the political risks.

Credit or commercial risks to be covered include insolvency of the buyer and protracted default. The policy will also protect exporters against the political risks of inconvertibility of a foreign currency, cancellation or restriction of export or import licences, expropriation, confiscation, war, civil commotion or similar disturbances. The organization of the FCIA has not been completed and other qualified insurance companies are being invited to become members.

To encourage small exporters to expand their export business, a special comprehensive guarantee will be offered through the FCIA. The guarantee contract will be available only to exporters whose direct exports in the preceding twelve months were valued at less than $50,000 and it will be limited to a term of two years, or a total of guaranteed exports of $100,000 (whichever occurs first). It cannot be renewed. The cover will be a flat 90 per cent for all causes of loss and on a buyer-by-buyer basis rather than total turnover. A flat fee will be charged per $100 of invoice value, regardless of market or term of credit, and the cover will be available for terms of not over 180 days.

Export Guarantees

To assist United States commercial banks and other financial institutions in providing more direct financing for medium-term transactions (180 days to 5 years), the Eximbank will issue guarantees directly to institutions undertaking non-recourse financing of exports. It is designed to encourage these banks to provide non-recourse financing of medium-term credits and to speed up these transactions by permitting the exporter to deal only with his bank rather than with the Eximbank. It is also intended to create an incentive for banks and other financial institutions to retain in the private sector the paper arising from export transactions. Basically, it is a guarantee against loss in export financing and will make export paper saleable.

Principal features of the new guarantees include the provision of a full political-risk guarantee on that portion of an export transaction on which a bank assumes the credit risk. In addition, a comprehensive credit- and political-risk guarantee is provided on the later maturities. These guarantees are offered only if the financial institution does not request the Export-Import Bank to purchase a participation in the transaction. The guarantees apply to export sales where the foreign buyer pays in cash not less than 10 per cent of the invoice value by the time of delivery of the goods and the exporter retains 15 per cent of the value. Previously in medium-term transactions the Eximbank required a 20 per cent down payment to the exporter. It was reported in *Foreign Commerce Weekly*—an official publication of the U.S. Department of Commerce—that "this reduction is made to allow U.S. exporters to offer terms which in this respect are as advantageous as those sometimes offered by their foreign competitors with the support of their respective governments." ●

Selling in Saudi Arabia (page two)

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FOREIGN TRADE

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COMING——Selling to Government Purchasing Missions in the U.S., January 13 issue

—Aramco Photo.
Jeddah, Saudi Arabia's principal port, is gradually being transformed under government supervision into a modern city, with new buildings thrusting up everywhere.

Selling to Saudi Arabia

Here is an unusual and interesting market, with money to spend on consumer goods, building materials and some machinery, but with few European trading firms, limited experience in corresponding in English, and little enthusiasm for business visitors.

D. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

CANADIAN exports to Sau Arabia have increased since 195 by an average 20 per cent each yea and last year they approached value of $3 million—second only t Lebanon in the Arab Middle Eas Some 60 to 80 per cent of import from Canada consists of seed whea but in addition Canadian export sta tistics list 88 separate commoditie entering into the trade. Recognizin the importance of this growing mar ket, the Trade Commissioner Serv ice intends to appoint an Honorar Commercial Agent in Jeddah to b the correspondent in Saudi Arabi for the Trade Commissioner i Cairo.

Because the Trade Commissione in Cairo will continue to be respon sible for trade promotion in Saud Arabia, Canadian exporters shoul continue to address their inquirie to the Commercial Counsellor, Ca nadian Embassy, Cairo.

Oil Wealth Vital

Saudi Arabia, a vast waterless desert about the size of Ontario an Quebec, is the home of some six million hardy nomadic Arabs wh for centuries before World War I lived practically on a subsistence level. There was little agriculture and industry was confined to handicrafts, fishing and pearling. The sole source of income was the revenue —about $20 million a year—from Moslem pilgrims to Mecca and the other holy places. Imports were confined to clothing and basic foodstuffs—rice, sugar, tea, etc.—and to products such as Persian carpets that the pilgrims brought with them.

In the last fifteen years, exploitation of Saudi Arabia's enormous oil reserves (estimated to last 100 years at the present rate of production) has given the country an income that now exceeds $400 million a year. As a result, tremendous development has taken place in all fields—transportation, social services, public utilities, etc.—and, of course, in the import trade. Because, with the exception of petroleum, there is little industry in Saudi Arabia, imports are mainly

nfined to consumer goods, build-ig materials, and some machinery ich as pumps and generators.

experienced in Foreign Trade

Like all Arabs, the Saudis are aders by instinct but it is a bazaar pe of business acumen and they ve had only a short experience foreign trade in the international nse. The annual pilgrimage to rabia of Islam's faithful from West frica to Indonesia brought in a eat variety of foreign currencies d money-changers abound in the ain centres even today, sitting oss-legged in the market (or suq) nking handfuls of Maria Therese alers. It was only in 1928 that national currency was adopted, ing gold, silver and cupro-nickel ins. In 1953 pilgrims' receipts ere issued to relieve pilgrims of the cessity of carrying large sums in avy silver coins. These receipts ve become today's paper money.

One successful money-changer is w head of a large national bank d, like many other prominent udis, he is totally illiterate. This ints up another problem of the untry: traditionally education has en confined to religious subjects d until recently little attention was id to languages, commercial prac-e, or even the three R's. Conse-uently it is a major effort for Saudi erchants to correspond in Arabic et alone in English or French), to ep accounts, or to shuffle the lume of paper that is an inherent rt of modern business.

w European Firms

In many Oriental countries this oblem of conducting business be-een East and West is solved by e establishment of European trad-g firms. This is not true of Saudi rabia. With few exceptions there e no foreign business enterprises, though a few firms, mainly en-neering companies, employ foreign chnical personnel on a contract sis, usually Moslems from Pakis-n, Egypt and Lebanon. One im-ortant exception is the four west-n banks—British, United States, French and Dutch—that established branches in recent years to conduct international commercial banking services. Another major exception is the Arabian-American Oil Co. (Aramco) owned jointly by Standard of California, Texaco, Standard of New Jersey and Socony Mobil.

Trade is the only way in which Saudi Arabia's newly acquired wealth can be put to use. There are almost no investment opportunities and thus far the refinements of income tax have not been a burden to the population. The first proceeds from the oil wealth were spent on luxuries such as automobiles and air-conditioners but purchases have broadened to include nearly all consumer goods. Few of the importers specialize in any particular commodities—a money-changer may invest in a shipment of radios, a large wheat and flour importer has opened Jeddah's first department store—and consequently business is risky in this still unsophisticated commercial community.

Specific Opportunities

What opportunities are there for Canadian exporters and how can they be developed? In general, the best ones are in foodstuffs, clothing, automobiles, household goods, appliances, drugs and medicines.

Foodstuffs—in particular, most types of canned or preserved foodstuffs that can meet competition from the United States, Europe and Australia will sell. One exception is pork products since this is a Moslem country; another is spirits because of the prohibition of alcoholic beverages. Seed wheat, which is ground into a whole wheat flour, is the largest single commodity in Canadian exports to Saudi Arabia. Canadian flour, on the other hand, is sold only in limited quantities because this is a price and not a quality market for flour. Canned fish is not a usual item in the Arab diet and thus the market is limited.

Clothing—Partly because of climate and partly because of custom, the clothing, at least outer garments, normally worn by Saudis is unlike anything known to western countries. However, if the hot desert climate militates against heavy clothing, progress and prosperity are challenging tradition. Both men and women are becoming increasingly conscious of western fashions and there is a demand for shoes, socks, shirts and underclothing. Suits, fall and winter dresses, overcoats, sweaters, hats, rainwear, etc., are not in demand because the climate does not call for them.

Household utensils, appliances and furnishings—These are generally in demand although there has been a good deal of over-importing in many lines. Buyers must have descriptive literature, samples where possible, and of course c.i.f. prices. If a product in this class is being sold successfully in other Middle Eastern countries, the chances are that there is a market for it in Saudi Arabia. In fact, there is some possibility that products sold to other countries (say Lebanon) are transhipped or resold to Saudi Arabia. Saudi merchants acquire information on new products on trips to Beirut, Cairo and Europe.

Building materials—Depending on the state of the market, there is usually a good demand for building materials, including hardware, ironmongery, etc. Compared with European competitors, Canadian exporters face the obstacle of relatively higher ocean freight to the two principal ports, Dammam on the Persian Gulf and Jeddah on the Red Sea. For bulky commodities such as lumber, charter freights might overcome this hurdle but the market is hardly large enough at the moment for Saudi importers to take such risks.

Machinery—With an almost total lack of industry or plans for industrial development, there is little interest in machinery or raw materials except for generators and pumps,

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vehicles and parts—and of course the needs of the oil industry, which does most of its buying through offices abroad. The Government buys construction machinery and earthmoving equipment for the roadbuilding program, as well as railway equipment for the Dammam-Ryadh line and some telephone and telecommunications equipment. Apart from a United States military installation in Dhahran, there is no television in Saudi Arabia.

First Steps

Contrary to the usual advice given to Canadian exporters, personal visits are not essential nor even useful as a means of developing sales in Saudi Arabia. Furthermore, unless a visitor has a sponsor he may not be able to secure a visa readily and he is certainly at a disadvantage if he does not know the language. If initial efforts are made by mail this is adequate, provided the exporter is persistent and does not give up after one or two unanswered letters.

The first step for a potential exporter to Saudi Arabia is to determine whether his product is competitive and in demand. Reference to Canadian and United States export statistics may provide an indication (Saudi Arabia does not publish detailed import statistics). If the exporter or his competitors are selling in other Arab countries, there may be possibilities for business. The Canadian Trade Commissioner in Cairo can provide information and assistance.

The next and more difficult ste is to contact potential agents an importers. Trade inquiries are pul lished in many trade journals, bank with correspondents in Saudi Arabi may be able to assist, and again th Trade Commissioner can suppl names and addresses. Exporters wi find, however, that Saudi merchant do not always answer letters unle they can clearly see opportunitie for profitable trade. Therefore it i essential for exporters to provid c.i.f. prices, literature and, if pos sible, samples, and to follow u their correspondence periodically.

It is worth mentioning that th experience of Canadian exporte who have been successful is: writ letters, send sales literature, etc., t Saudi Arabia; in return, receiv nothing except letters of credit. ●

Ecuador Expands Banana Industry

This country now supplies Canada with nearly twice as many bananas as any other; is planning for larger and more efficient production and is trying to cultivate new markets.

R. A. BULL, *Assistant Commercial Secretary, Bogotá.*

IN 1960 Canada imported nearly 200,000 tons of bananas worth $24.5 million f.o.b. Nearly half of these ($10.5 million worth) came from Ecuador and accounted for 95 per cent of our imports from that country and over 20 per cent of total Ecuadorian banana exports.

Ecuador is not a "banana republic". Bananas are its most important but not its only export; they totalled U.S.$46 million or 44 per cent of total exports valued at U.S.$105 million in 1960. Coffee and cocoa exports in the same year earned about $22 million each. Nor are the banana plantations concentrated in the hands of one or a few large companies. In the central growing area, for example, 63 growers on 70 farms covering 11,334 hectares (28,000 acres) produce nearly seven million stems of bananas a year, 20 per cent of the production of the country. The Chamber of Commerce of Guayaquil, one of the main export ports, lists 56 different exporters of bananas in Guayaquil, Esmeraldas and Bahia de Caraquez.

The banana exporters and producers have formed La Asociacion de Bananeros del Ecuador (ANBE), an organization that assists them to compete more effectively with the other Latin American and African producers in world market ANBE has made a careful study c the banana-growing areas of Colom bia, Mexico and Central America It concluded that these countrie are using all the land they hav that is suitable for bananas an unless they can expand productio by clearing up sigatoka, the diseas that has so seriously affected output they have practically achieved th maximum possible exports. Ecua dor, on the other hand, still ha large areas where banana growin could be carried on. In the centra area, some 200,000 hectares woul be suitable; of these, 5,000 hectare have lately been planted with ba nanas and 6,000-odd are in produc tion. If half the possible centra areas were in production, banan exports could be doubled comfort ably, but a number of problem would have to be solved first.

ECUADORIAN BANANA EXPORTS, 1960

	(U.S.$ million)
United States	24.0
Canada	10.5
West Germany	6.0
Belgium	3.1
Chile	2.2
All others	.5
Total	**46.3**

Ecuadorian bananas have farther to go to markets in the United States and Europe than do their competitors and they must pay the tolls on the Panama Canal. Their f.o.b. price must be low enough to offset these cost disadvantages and their quality as high as any.

Bananas should not be an expensive fruit. Where they grow, they are a staple. Low prices should secure Ecuador not only a fair share of traditional markets but also new, more cost-conscious markets like Japan, Central and Southern Europe, the Communist Bloc countries, and Latin America. Last January Japan announced a quota of U.S.$341,000 to begin in March but with a possible increase later. During a visit to Quito in March by the Soviet Ambassador to Mexico, the possibility of an Ecuadorian trade mission to the U.S.S.R. was considered. In August a Soviet goodwill mission to Ecuador discussed a barter agreement covering bananas.

Transportation costs between the point of production in Ecuador and the market can amount to as much as 70 per cent of the c.i.f. price of the bananas. Ocean shipping costs could be reduced by port improvements that would speed loading and shorten turnaround time and by the provision of enough refrigerated shipping space and return cargoes for these ships. Port improvements are in progress at Esmeraldas and Guayaquil and ANBE has proposed construction of a new banana port at Bahia de Caraquez. This is an excellent natural harbour on the coast between Guayaquil and Esmeraldas, about 100 miles by a projected road from the central banana-growing area and with room for port construction. Of the 35.7 million stems shipped last year, Guayaquil handled 22.5 million, Puerto Bolivar 8.6 million, Esmeraldas 4.6 million, and Bahia de Caraquez 40,000.

There has long been a feeling in Ecuador that the only way to meet the competition is with an Ecuadorian shipping line. Talks were held with a Spanish official delegation in June 1961 to explore the possibility of exchanging Ecuadorian products for four ships equipped to carry bananas worth U.S.$18 million.

Ecuadorian Shipping Line

On July 20, a government decree authorized ANBE to form a shipping company to be known as Flota Naviera Bananera Ecuatoriana to transport bananas overseas. Initial capital is to be 50 million sucres (U.S.$2.75 million) and shares will be paid for by an export tax of two stems per 100 on bananas sold to traditional markets and four stems per 100 on sales to new markets. Individual exporters will receive shares in the Flota according to the amount of tax each pays. A dividend of not less than 6 per cent is guaranteed and profits and dividends are tax-free for ten years. Once operating, this line should show whether costs can be reduced significantly between the ports of export and import.

Within Ecuador, several cost-saving measures have been suggested. Export taxes—very popular in Latin America—might well be removed or if they must be levied the tax money could be applied (as above) to serving the exporter and not, as is customary, to protecting the potential taxpayer from direct taxation. Bananas start to ripen within 48 hours of cutting unless they are refrigerated. Central banana-reception and storage warehouses, perhaps financed by cooperatives as many plantations are, could be built to preserve the fruit and organize packing and shipment to the ports. Tax concessions to encourage the packing of bananas in crates and cartons (9,000 and 20,000 respectively in 1960) would stimulate this centralization and small growers would be saved the problems of marketing.

Roads Needed

The greatest contribution to cost saving, however, would come from the provision of adequate roads. Most banana-growing areas in Ecuador are close to the coast. Good roads would not only cut transportation costs (ANBE says by one sucre a stem or 30 million sucres, nearly U.S.$2 million a year) in return for a small investment but would also save the 10 per cent or more now lost through damage to fruit transported over rough roads.

The central growing area—the one underdeveloped area left—has been held back because of its distance from Esmeraldas and Guayaquil. Transportation costs to these ports are often as high as 10 sucres a stem, the same amount that the grower receives. ANBE has proposed that a really good road be built between San Diego and Quevedo, across the area, 90 miles long and costing U.S.$92,000 a mile. This would permit the use of large trailer trucks and save up to four sucres a stem. Given a 20 per cent increase in shipments each year (from the 5,000 hectares now growing but not producing, plus new plantings) these savings in three years would match the cost of the road. A town for the reception and storage of bananas could be built 28 miles from Quevedo. From there a four-lane highway would connect with the proposed new port at Bahia de Caraquez. When 100,000 hectares (half the potential area) are producing, this road would carry 1.5 million tons of bananas a year, 1,000 trips a day by five-ton trucks to the port plus 1,000 return trips loaded with the imports carried by the new Flota on its return voyages from the markets of the world. ●

Advertising Abroad

In Britain, the trade press and trade journals may be the best medium for the Canadian exporter to use in introducing new products; for goods with mass appeal, television may be the answer.

S. G. HARRIS, *Assistant Commercial Secretary, London.*

TO the advertising man, Britain consists of approximately 55 million people tightly packed into a small island and abundantly served by all forms of mass media. It is usually considered a prime example of an "aging population" and indeed it probably supports a larger percentage of older citizens than any other country. However, as in many other western countries, Britain now has an increasing number of young people as a result of the baby boom after the last war and, contrary to expectation, this boom is continuing. As in Canada, the trend is to larger families. Over the past ten years, British population estimates have had to be revised upwards and the number of school leavers (young wage-earners) increases year by year. Thus, as in North America of recent years, there is an expanding market among younger people.

In addition, the British people now have much more money to spend. Wages have risen rapidly in the past fifteen years and the unemployed represent only a paltry 1.4 per cent of the population. Furthermore, Britain has the highest percentage of working women (32 per cent) of any country. Thus, although individual wages are lower than in North America, the income per household is much closer to the North American figure than is generally realized. This all adds up to a large, well-paid, compact market that is widely influenced by modern advertising in all its forms. Estimates of advertising expenditures in Britain run to £500 million a year and these expenditures are increasing at the rate of 8 to 10 per cent a year.

The importance of the various advertising media may be judged from the estimates in the accompanying table, prepared by the *Financial Times.*

National and Local Press

Approximately 16 million newspapers are sold every day in Britain and on Sundays about 25 million copies of the special editions and weekly newspapers are sold. Added to this are sales of 11 million copies a week of various glossy magazines and a trade press of about 2,000 journals of widely differing interests and distribution.

Newspapers vary from the mass circulation dailies such as the *Mirror* and *Express,* with over four million circulation, to the more sophisticated papers such as *The Times* and *Guardian,* with a quarter of a million each.

Besides these national papers there are the hundreds of local and provincial papers serving particular regions. The Englishman still has more daily papers to choose from than any other national. Many, of course, consist of only four or five pages and only the large dailies and weeklies begin to approach North American publications in number of pages and amount of advertisir carried. Generally speaking, adve tising in the daily press is not near as much developed as in Canada.

The cost of advertising spa varies from £10 per column inc in *The Times* to £30 per colum inch in the *Daily Express.*

Magazines and Periodicals

In addition to the newspaper there are the glossy magazines ap pearing weekly or monthly an aimed almost entirely at wome These are an ideal medium fo advertising home appliances, cloth ing and food products. A certai group of these magazines cater t the carriage trade and they can suc cessfully promote many luxur goods that enjoy a small marke Advertising rates vary from £50 to £800 per page in the best o these magazines.

TOTAL ADVERTISING EXPENDITUR

	19 £
Press	
Space	
national newspapers*	7
provincial newspapers	5
magazines and periodicals	4
trade, technical and other journals	3
Production costs	1
Total press	22
Other**	
Outdoor	2
Catalogues, leaflets	3
Window and interior display	2
Exhibitions	1
Free samples, gift schemes	1
Television	8
Miscellaneous (including film and radio)	[illegible]
Administration	2
Grand total	**45**

*National dailies, London evenings an national Sundays.

**All the non-press items include pro duction costs.

Of greater importance to the Canadian exporter getting started in Britain are the trade press and trade journals. There is one (and in many cases several) specialized trade paper for almost any commodity and trade one can name.

Advertising in one of these provides one of the quickest and most direct methods of introducing a new product to the trade. Hardware, appliances, special machinery, tools and services, and many other products can perhaps best be introduced through this medium. Because these journals are smaller and more dependent on advertising, it is often possible with a diplomatic approach to obtain an editorial write-up of a new product with the advertising and thus receive quicker recognition. Space prices vary greatly but full-page advertisements can be obtained for about £50 in the best of these journals and they are certainly worth it.

Radio, Television, Cinema

Radio advertising is not allowed in Britain but a special English-language radio station in Luxembourg, beamed to England, does carry commercials plus music and news in the manner common to local Canadian stations.

Independent television, which carries commercials, was introduced about five years ago and now covers 90 per cent of the country. Expenditure on this type of advertising has increased rapidly and now amounts to £80 million a year. Programs are not sponsored as in North America; instead, advertising time is sold as 10- to 60-second spot announcements interspersed throughout the day's programming. Prices vary with the time of day and the region served—from about £50 for a 10-second off-peak announcement on a provincial network to £3,000 for a 60-second prime Sunday evening announcement on a channel serving the Greater London area. The average is £2,000 for a 15-second commercial on a national network. Television is becoming more and more the accepted medium for reaching large numbers of people with products of mass appeal, such as food, drink and home appliances.

Cinema advertising in the form of short filmstrips or stills shown during refreshment breaks is still widely used. Cinema attendance has fallen sharply, however, in recent years and this medium is of little interest to Canadian exporters.

Direct Mail

Direct mailing of brochures, leaflets and small catalogues is another widely used means of advertising and expenditure on this is exceeded only by amounts spent on the press and television. Numerous classified trade directories are available, and so are the electoral registers for blanket mailing campaigns. Britain also has several "mailing houses" that specialize in keeping up-to-date lists of classified addresses for direct mailing. Some firms claim that direct mail advertising can achieve up to a 5 per cent response in actual business. Typical cost for mailing 5,000 letters consisting of a leaflet and a printed letter is about £100, inclusive of postage and addressing.

Direct mailing may be used for almost any commodity, from mass consumption goods to luxury or special technical products aimed at a selected clientele. Many British firms have separate divisions to handle direct mail advertising.

Billboards and Posters

Finally, there is billboard advertising. Apart from the neon lights of Piccadilly Circus, billboard advertising is strictly curtailed in Britain. All sites are subject to planning board approval and this type of advertising is not widely used. More important are the poster advertisements carried in railway and underground stations and trains and on city transport buses. This is another effective means of reaching the mass market. Prices vary from £1 per year for a 6 × 18 inch poster in a London tube train to £50 per year for a 17 × 2 foot poster on the side of a London Transport double-decker bus.

Government Requirements

There are few government regulations covering advertising and apart from restrictions on location of billboards, etc., they are designed to prevent unwarranted claims, infringement of drug and food laws, and unfair derogation of a competitive product. There is no tax levied on advertising as such. However, as of September 1 last, a government directive to counteract inflation has levied a 10 per cent tax on television advertising.

There are many British public relations and advertising firms eager and able to help the Canadian exporter. They vary from large internationally known companies to small ones with a printing press and half-a-dozen employees. The Office of the Minister (Commercial), Commercial Division, Office of the High Commissioner for Canada, One Grosvenor Square, London, W.1., is ready to help any Canadian exporter who wants more information on this subject.

Tours of Commodity Officers

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

Development on the Indus

AN ambitious one-billion-dollar development project for the Indus Basin now under way in Pakistan will provide hydroelectric power and irrigation in a region where both are badly needed.

Basically, the objective is first to provide irrigation waters from the Indus River and its two westernmost tributaries, the Jhelum and the Chenab, to make up for the loss of water being diverted to India under treaty from the eastern tributaries—the Ravi, Sutlej and Beas Rivers (the latter flows through Indian territory). Thus, life-giving waters will continue to be available for the irrigation canals of West Pakistan and the Punjab, which before partition in 1947 were known as the "bread-basket" of the sub-continent.

Second, blocks of hydroelectric power will be generated from developments at Mangla and Tarbela. Some of this power will be used to activate thousands of tube wells which are required to lower the high water table that is ruining crops in the area. Ample surface water for the crops will also assist in leaching away the heavy salt deposits that are taking out of production thousands of acres of West Pakistan's arable land on which 45 million people depend. Two huge dams will be built at Mangla and Tarbela, a series of seven link canals will connect the Indus River and four of its tributaries, and there will be subsidiary construction.

The Water and Power Development Authority, West Pakistan, (WAPDA) is the agent designated by the Government of Pakistan to carry out this scheme under the auspices of the World Bank, Washington, which has evolved a plan to finance the required expenditures. A number of western countries including Canada (her share is $22.1 million) have pledged various sums to support this project, which is being carried out in two phases over ten years at a cost of $1 billion.

Phases One and Two

The first phase of the scheme now under way includes the Mangla Dam, which reportedly will be the largest earthfill dam in the world. The initial hydropower capacity of 300,000 kw. will be stepped up ultimately to 800,000. Construction of a series of canals linking the Indus and three of its four tributaries is also beginning. Tenders for the Mangla Dam and the Trimmu-Sidhnai link canal have already been opened and firms not "prequalified" are too late to be considered for this first stage. Completion date for Mangla is 1967-1968.

The second phase of the scheme, which includes development work and construction of the Tarbela Dam on the Indus, is now being studied. It will provide for water storage and also for a hydroelectric power development of one million kw. Completion date is 1970. Further link canals will be built, as well as a barrage across the Indus at Chasma and another at Taunsa.

Firms Must Prequalify

Any Canadian firm interested in consulting or contracting engineering work on the Indus scheme must be prequalified by WAPDA and its consultants and be acceptable to the World Bank. This in essence means providing sufficient data on its financial resources, business experience and contracts held, etc., to convince WAPDA and the World Bank that the firm is fully capable of carrying out its commitments.

Because of the size of the over-all scheme, several world-wide engineering firms have formed consortia to tackle various aspects of the work and these too must be prequalified.

Further details on prequalification requirements may be obtained from Sir Alexander Gibb and Partners, United Kingdom, engineering consultants to the Bank, or Harza Engineering Company of Chicago, consultants to WAPDA.

The Indus Basin Scheme is international in scope and is much too big a concept to interest any but well financed and broadly experienced companies. Firms interested in direct contracting work should be prepared to send representatives overseas to see whether they are in a position to undertake contracts and to study the scheme at first hand. ●

Netherlands Jewellery Market

Canadian jewellery of good design and finish could find a worthwhile market in the Netherlands, if exhibits at trade fairs and advertisements in trade journals are followed by personal visits.

J. R. CAUX, *Assistant Commercial Secretary, The Hague.*

THE Dutch consumer is now in a better position than ever to buy luxuries such as jewellery. The Netherlands has experienced an economic boom that has raised per capita income from 2,640 guilders in 1957 to 3,075 in 1960. A population numbering 10 million in 1958 now stands at 11.6 million. More than 91,000 jobs were available in the month of June, as against only 25,000 unemployed.

However, the Netherlander has not yet come into the "gold and silver" era, and in spite of his increased purchasing power, he is not spending as much of his income on jewellery as a citizen of another country with comparable spending power would. He spent roughly 50 guilders on cars last year and approximately 10 guilders on television, but only 3.25 on gold and silver articles. According to the experts, this situation can be corrected, provided steps are taken to create a greater demand.

Domestic Production

The jewellery industry in the Netherlands supplies more than half the domestic requirements and makes articles of gold and silver as well as jewels. Production of gold articles in 1960 totalled 2,600 kilos and of silver 13,100 kilos, a rise of 15¾ per cent and 19½ per cent, respectively, over 1959. Over-all production, however, is not large when compared with West Germany and Italy—where most imports come from. The only protection for local manufacturers lies in the import duty, but to remain competitive they are moving toward mass production of cheaper articles.

Imports

Although the local industry is active and prosperous, Holland's jewellery imports in 1960 totalled 7.5 million guilders, of which half was supplied by other EEC countries. West Germany was the most important supplier, with sales valued at 2.5 million guilders—mostly imitation jewellery. The U.K. sold over 2 million guilders worth and Italy 863,000. Czechoslovakia, Austria, Hungary and France were also important suppliers.

Because of the lower import duties and wage scales, prices of jewellery imported from EEC countries, particularly Italy, are extremely competitive. The Canadian exporter will find it difficult to compete in many lines. However, good quality and finish are likely to attract the attention of a serious Dutch importer. For jewellery, as for nearly every other product, Holland is a price market. The customer is always glad to have the price-difference between two similar articles explained to him. This should be remembered by Canadian exporters when they are arranging advertising.

Netherlands Jewellery Trade with United States and Canada

	Imports		Exports	
	Canada	U.S.	Canada	U.S.
	(thousands of guilders)			
1957	—	123	46	262
1958	—	105	28	249
1959	—	56	—	287
1960	—	70	47	294

Selling and Distribution

Selling and distribution methods in North America differ from those in the Netherlands. About 50 per cent of the jewellery sales in the United States are made through

large department stores. In the Dutch market, independent retailers have the largest share of the sales. On January 1, 1960, retail shops engaged in selling jewellery totalled 1,162. Here, jewels are considered something personal and intimate and the customer prefers to buy from somebody who can give advice and in whose shop he can compare the desired article with similar products. There is no tendency to buy from pamphlets or catalogues and offers from mail-order houses seldom succeed. Selling on the instalment plan is practically unknown; buyers pay cash. However, instalment buying may, in the future, be used more frequently to stimulate demand.

In North America, manufacturers supply direct to retailers and department stores. The Dutch retailer buys from wholesale firms, of which there are more than 100. These wholesalers, who sometimes specialize in one or two different lines, usually keep a large stock of samples from which the retailer selects what he wants to show his clients. The profit margin taken by the wholesaler varies between 30 and 40 per cent; the retailer's profit may go as high as 70 per cent. A still higher percentage is usually taken on sales of jewels that have been carried in stock for some years.

Styling and Packaging

The Dutch are traditionally sober in tastes and habits. This characteristic is reflected in the jewellery trade. Plain designs are more readily accepted than flashy and ornamental styles. Both modern and classic styles are popular; tableware sells best in classic designs and jewellery tends toward the modern. In any case, preference is given to simple functional designs.

Packaging is not as important in Holland as in other countries. Normally jewels are imported without jewel cases and the jeweller has cases made in local shops according to his own specifications and often bearing his own trademark. Tableware is the exception and is always imported in chests of various sizes.

Restrictions and Duties

There are no restrictions on jewellery imports into the Netherlands other than the Benelux import duties. These vary with the type. On imitation jewellery from EEC countries, a duty of 12.6 per cent is levied, compared with a general import duty of 18 per cent. A tariff of 22 per cent, applicable to all countries other than members of the EEC, has been proposed as the final tariff of the Common Market. On every article of jewellery of Dutch or foreign origin a sales tax is imposed, ranging from 5 to 21 per cent of the duty-paid value. In addition, imported articles of gold and silver must be provided with a Netherlands stamp. Stamp charges are 0.15 guilders per gram of gold and 0.07 guilders per 10 grams of silver.

Advertising, Trade Fairs

Dutch jewellers prefer to advertise to the trade through newspapers, trade journals and other publications. The most important medium is a trade journal published monthly by the Federation of Gold and Silver, called *Edelmetaal*. It has been published for 14 years and has a circulation of 2,400. Practically all manufacturers, wholesalers and retailers subscribe to it. Each issue has approximately 50 pages, half of which carry advertisements. German and Swiss firms advertise regularly in *Edelmetaal*. Rates vary between eight guilders for one sixteenth of a page to 112.50 for a full page. Reduced rates are offered for a series of six or 12 ads.

Joint advertising for jewellery is not being carried on in the Netherlands at present. Some businessmen realize that it would be one of the most effective ways of promoting sales but they lack the funds to do it.

There are no specialized jewellery trade fairs held in this country but many Dutch firms exhibit in the Utrecht Fair held during the spring and fall. This fair attracts a considerable number of visitors and can prove important in creating a demand for a particular type of jewellery. The Canadian exporter who decides to exhibit in this fair should bear in mind, however, that he must do so year after year to make it worthwhile. He should also remember that introducing a new line in Holland takes patience and a good deal of effort.

Exhibiting at Utrecht is not the only way Dutch jewellers advertise their products. Twice a year, in February and August, there are exhibitions of jewellery in every important hotel in Amsterdam and Rotterdam. Some hotels rent show cases to jewellers for permanent display. Some jewellers own show rooms to which they periodically invite the trade. The reader will realize that the tendency in jewellery advertising is toward directness and the creation of a visual impression rather than describing an unseen product.

Personal Visits

It would be wise for a Canadian exporter planning a trip to the Netherlands to prepare for his visit carefully. He should arrange a trade-wide distribution of catalogues and price lists before he leaves Canada. Merchants would then select items they thought would sell and that they would like to examine more closely. Advertising in the trade journal *Edelmetaal* for a period in advance would help to create an interest in his products. The prospective Canadian exporter should then arrive, equipped with a sample collection that can be brought into the country without much difficulty.

If Canadian jewellery is adapted to Dutch tastes, and competitive in price, it should be possible to develop a worthwhile volume of sales in this small but prosperous country—after a careful program of publicity and personal contacts has paved the way. ●

The Mexican electrical industry, now nationalized, has ambitious expansion plans. The author discusses the potential market for electrical equipment that these plans involve and how to go about getting some of this business.

Mexico Expands Power Facilities

G. L. GAGNE, *Assistant Commercial Secretary, Mexico, D.F.*

THE most important political and economic event in Mexico during 1960 was the nationalization of the electrical industry. One of the goals of the present administration was thus reached. The Government is now proceeding with a large expansion program that will double the 1960 electrical capacity by the end of 1964.

In the last decade, electrical generating capacity has increased at an average rate of 13 per cent a year—from 1,234,511 kw. in 1950 to 2,848,000 in 1960. Of total installed capacity in Mexico, approximately 47 per cent is derived from hydro installations and 53 per cent from thermal plants.

The Comisión Federal de Electricidad (CFE) was created by Presidential decree in 1937 "to organize and direct a national system of generation, transmission and distribution of electric energy to the benefit of the general interest of the country." Between 1944 and 1960 it purchased total or controlling interests in all the privately owned power companies, including the large Mexican Light and Power Company which served the Federal District and which was controlled by Anglo-Canadian and Belgian capital registered in Toronto.

New Projects

In 1960 Mexico started construction of nine hydroelectric plants with a combined capacity of 1,119,000 kw. By far the largest was the Infiernillo project in the State of Michoacán, designed for a maximum capacity of 600,000 kw., the largest in Latin America. This was made possible by a long-term French loan of approximately $80 million, of which $43 million is to be used to buy equipment in France.

Thirteen thermoelectric plants with a total capacity of 768,000 kw. were also initiated last year. Their average size is small by Canadian standards but the total new capacity being installed is impressive in relation to existing facilities. The table below shows the increase in electrical consumption since 1910.

CONSUMPTION OF ELECTRICITY IN MEXICO

Year	Population (millions)	Annual per capita consumption (kilowatt hours)
1910	15	2.5
1930	25	80
1947	33	105
1960	35	386

Source: *CFE Electrificacion No. 8*, 1961.

Expansion Needed

The large per capita increase in consumption in the last 13 years reflects a more intensive use of electricity but not necessarily an extensive distribution of power. Of the 35 million Mexicans, only 11.5 million enjoy the use of electricity. The percentage of electricity users varies greatly in the different states: from 70 per cent in Baja California and 63.5 per cent in the Federal District to 5.3 per cent in the State of Oaxaca. Since only 45 per cent of the total population live in villages and cities of more than 2,500, there is ample ground for expansion in both the rural and urban sectors. The Government has very ambitious programs on the books to more than treble the electrical capacity of the Republic in the next decade. As water resources are limited because of low rainfalls and their concentration during the rainy season (May

99775-9—2½

to October), thermoelectric generation is bound to supply an increasing percentage of total capacity. Smaller thermal plants can be located near the main consumption centers. They require less initial capital outlay and transmission costs are lower.

What Mexico Buys

The accelerated expansion of the industry is supported by government grants and credits from international lending agencies, such as the Export-Import Bank and the World Bank, and commercial banks in the United States and Europe. Private companies supplying equipment also extend long-term credits at relatively low rates of interest in order to compete.

At the end of 1959, foreign credits used and available were:

Source	Used	Made available
	($'000)	
Eximbank		7,218
World Bank		6,015
Private banks	4,680	4,680
Suppliers	10,014	10,014
Total	14,694	27,926

Source: Banco Nacional de México, S.A.

MEXICAN IMPORTS OF ELECTRICAL MACHINERY AND MATERIAL

	Value (U.S.$'000,000)
1960	27.0
1959	22.2
1958	36.6
1957	30.3
1956	26.3

CHIEF ELECTRICAL PRODUCT IMPORTS, 1960

	Value (U.S.$'000,000)
Electric motors, all sizes	3.36
Dynamos and electric generators	3.28
Electric switches	2.04
Electric condensers	1.72
Voltage regulators	1.16
Electric stators and rotors	.92
Porcelain and glass insulators	.84
Cables of common metal	.75
Electric towers	.50

Source: *Anuario Estadistico 1960.*

Machinery is imported mainly on long-term credits of five to ten years. The initial cost of certain equipment may not be the critical factor in choosing the source of supply. The ultimate cost of the equipment—market price plus debt amortization costs—appears to be the strongest criterion on which the authorities base their decisions. Except in special circumstances, only firms ready to extend long-term credits stand a good chance of winning a contract.

Mexico plans to invest $2 billion, or 9 per cent of its total investment, on power developments during the next decade. This will provide an installed capacity of 7.7 million kilowatts by 1970. If past trends continue, approximately 60 per cent of this invested money will be spent abroad on heavy power-generating equipment.

Certain equipment—such as small transformers, motors and cable—is made in Mexico by well-known companies such as General Electric, Westinghouse, and Anaconda Pirelli.

The Comisión Federal de Electricidad has assembled during the past few years a group of qualified engineers who are capable of designing and supervising most of the new electrical projects. Foreign consulting engineers are called in only if a difficult problem arises that requires specialized knowledge or experience.

Bidding on Contracts

Most large government contracts are awarded by tender. Sometimes tenders are called for entire installations, a package price; at other times a tender call is issued separately for the equipment and specific bids are requested for each item, such as turbines, generators, gates, cables, etc.

Before bidding on a government contract, a Canadian firm should:

- Register its name with the Comisión Federal de Electricidad, giving details of the equipment available, its experience in the field of electricity, and some indication of its financial strength.
- Appoint a Mexican individual or company as its agent. The agent's duty will be to advise the Canadian company on new tenders being called; to secure copies of specifications; counsel his principals on the advisability of tendering for specific projects, and present the official bid in the name of his principals.
- Be prepared to study technical documents in the Spanish language. Although bids may be submitted in English, the original request for tender is naturally written in Spanish and precious time may be saved if a firm has facilities for reading Spanish.
- Be ready to consider giving long-term credits.

Power Seminar

Mexico City was host this year to the Latin American Seminar on Electric Power, to which many European countries as well as Canada and the United States sent delegates. The power needs of Latin America and the means of achieving faster electrical development were studied in detail. It was generally concluded that the countries concerned should treble their established capacity during this decade. To attain this goal of 200,000 million kwh. capacity by 1970, a gross investment of $13 billion would be necessary. The demand for heavy electrical equipment in this area should therefore increase and remain strong for many years.

Telephone Numbers Changed

EFFECTIVE November 27, all federal government telephone locals in Ottawa that began with the prefix 6 now begin with the prefix 2. For example, if you wish to call the editor of *Foreign Trade* (formerly local 6-6588), you now dial 9 (to get the government exchange) and then 2-6588. Only the 6-prefix locals are changed; all others remain as before.

Mozambique's Trade Slackens

Exports fell off in last half of 1960, earnings on invisibles decreased, and trade deficit reached $46 million for the year. Canadian sales increased; imports from dollar countries limited to essentials.

C. R. GALLOW, *Trade Commissioner, Johannesburg.*

IN Lourenco Marques during my visit in late August the weather was humid and oppressive; business was stagnant. Like the atmosphere, the aim of many businessmen seemed to be to keep liquid and the up-country trader was reported to be particularly keen. Money is tight and credit is used for all it is worth. There is little interest in building up inventory; rather, the inclination is to wear down existing stocks and the trend is to extend bills rather than pay them. Cash is at a premium. Wholesale and retail trade, both in the cities and the interior, is dull and in a few inland areas, it is said to be reverting to a barter basis.

Recent changes in the administration have generated some optimism for more action in the future. The new Governor General is a man of consequence from Portugal and the hope is that he will exercise broad powers of decision, backed by adequate funds, to give substance to development plans that have to be financed largely by loans from the Metropolitan Government. The promotion of the Controller of Imports and Exports and the appointment of a new Controller of Exchange are expected to improve and co-ordinate those services. However, the transfer of the official who was actively pushing the industrial expansion of the province and the development of a current statistical service may, probably will, leave a gap difficult to fill. There is much to be done in opening up the interior and pushing settlement in the North.

One of the newer railway bridges in Mozambique crossing the Limpopo River; improvement of transportation to the interior has been stressed in development plans.

Development and Taxation

According to press reports, the Government in Portugal is expected to provide something over $20 million for investment in Mozambique under the 1961 Development Plan. This is to be distributed as follows: roads 24 per cent, harbours 6, airports 5, settlement 18, development of resources 18, schooling and health 12, local improvements 3, and scientific exploration 2.

The introduction of some form of internal taxation, possibly a purchase tax, is expected as import duties on goods from Portugal are to be abolished progressively, beginning in January 1962 and ending in December 1971. The revenue will have to be made up from some other source. Industry is expanding, but on its own initiative and slowly and the principal export crops are mainly a preserve of Portuguese importers who set their own prices and quotas. Hence neither of these fields as yet presents a good prospect for increased tax revenues.

Crop Reports Satisfactory

All areas report a sufficiency of food and the condition of the subsistence crops (kaffir corn, maize, sweet potatoes, manioc, beans, vegetables and rice) continues to be satisfactory. The latest estimate places the 1961 cotton crop at approximately 113,250 tons. The cashew-nut market is quiet; neither India nor the United States is showing any great interest in it and the unsold stocks approximate 10,000 tons. Although the trees are flowering well, it is too early for an estimate of the next crop.

Mozambique regularly runs a deficit in its balance of trade; for 1960 this approximated $46 million. In past years the deficit usually has been made up by the earnings of the ports and railway handling goods in transit to the Republic of South Africa and the Federation of Rhodesia and Nyasaland, by the earnings of Portuguese natives working in these neighbouring countries, and by tourist receipts. However, for two years now these earnings have fallen short, resulting in a small deficit in the over-all balance of payments. This deficit seems likely to be repeated when the final figures for 1960 are available. Despite increased import restrictions introduced last year, the total value of imports rose slightly and was matched by an increase in total value of exports. Unfortunately, the considerable improvement in exports during the early part of the year was short-lived and they fell off noticeably towards the end. The latest available figures show Mozambique's principal customers as Portugal (48 per cent), India (9), Britain (8), United States (6), Federation of Rhodesia and Nyasaland (4), and the Republic of South Africa (3). The principal commodities exported are cotton, sugar, cashew nuts, copra, sisal and tea.

The main suppliers of Mozambique's imports are Portugal (29 per cent), Britain (14), Republic of South Africa (12), West Germany (10), United States (6).

Imports are strictly controlled on the basis of quotas set in Portugal and preference is given to the countries with which Portugal has trade agreements. Merchants report that it is difficult to get a dollar licence, that quotas are not made public, and that they can only find out if a licence will be considered by making a specific application. Imports from dollar countries are limited to essential commodities, a list of which is available from the European Division, International Trade Relations Branch.

Last year the principal commodities in Canada's exports to Mozambique were newsprint, wheat, motor vehicles and parts, engines and parts (both marine and aircraft), and plastic film and sheet; total sales to Mozambique reached Can.$3.15 million compared with $2.0 million in 1959. For the first half of 1961, our sales totalled $916,000 as against $1.1 million in the first half of 1960. In 1960, interest by importers in other supplies from Canada was limited to aircraft parts for DC-3's, filler for motor-car bodies, portable water-purification units, prefabricated aluminum huts, and rubber dinghies. •

BUSINESSMAN'S BOOKSHELF

Guide to Investment in Greece

Industrial Development Corporation S. A., Athens. 100 pages. $15.00.

BUSINESSMEN who are considering business investment within the EEC countries will find this comprehensive study of the main phases of the Greek economy of particular interest. The benefits of low labour costs, under-development, equal rights for Greek and foreign nationals, exploitable natural resources and an upward economic trend in Greece are stressed. The implementation of a five year plan of economic development, designed primarily to exploit natural resources, could provide a market for Canadian mining and agricultural machinery, roadbuilding equipment, and hydroelectric power installations and this section should therefore interest exporters.

The association of Greece with the EEC is pointed out as an incentive to foreign investors wishing to develop business within the EEC.

This publication adequately covers financing, income tax, incentives for productive activity, and cost factors. Fourteen pages of tables on the most pertinent economic factors and investment opportunities are also included.

Order from: Industrial Development Corporation S. A., 8 Dragatsaniou Str., Athens, Greece.

A Geography of the U.S.S.R.—The Background to a Planned Economy

By J. P. Cole and F. C. Germany. 290 pages. $8.50.

LAST October Mr. N. S. Krushchov presented a report on the program of the Communist Party of the Soviet Union at its 22nd Congress in Moscow. Among the major tasks that he foresaw for the next decade was the defeat of the United States in its economic competition with the U.S.S.R. By the end of the second decade (that is, by 1980) he was confident that Soviet Russia would leave the United States far behind in industrial and agricultural output per head of the population.

Is such a forecast realistic and are there any means to assess the economic potential of the Soviet Union in

the light of the ambitious targets that the Soviet Communist Party has set itself? This newly published book by two British scholars, J. P. Cole and F. C. Germany, which provides an excellent survey of Soviet Russia's economic resources, comes as a welcome aid in studying these questions. It offers a good background on which to base a comparative study of the two rival economies. A short chapter at the end of the book is specially devoted to the economic race between them. It indicates not only the many resemblances and great contrasts between the two economies but reveals also the great complexity of the problem when it comes to assessing the outcome of the race. In addition, the scarcity of available statistical material—which the authors have culled from Soviet sources with patience, diligence and thoroughness—leaves many gaps unfilled and makes an unqualified answer to Mr. Krushchov's confident forecast rather hazardous.

This scholarly study deserves to be recommended also as an excellent manual on Soviet Russia's economic progress and on Soviet economic planning. It also provides a well documented assessment of Soviet economic achievements in the last decade. Perhaps a general map of Soviet Russia could have usefully been added to the text.

Order from: Butterworth & Co. (Canada) Ltd., 1367 Danforth Avenue, Toronto 6, Ontario.

Fraser's Canadian Trade Directory, 48th Edition

Fraser's Trade Directories Limited. 1,876 pages. $12.50.

THIS valuable annual directory again provides an up-to-date source of reference for answering many questions that arise in day-to-day business. Included are: a classification of all manufacturers, wholesalers and agents for thousands of products; alphabetical listings of manufacturers, of trade names, and of agents or distributors for foreign firms in Canada, plus a section on market data. The sections are set out in different colours to assist in finding the one needed promptly. Businessmen who are unfamiliar with the directory will find it useful, as have the many others already aware of its value.

Order from: Fraser's Trade Directories Limited, 6833 de l'Epée Avenue, Montreal 15, Quebec.

Teleurope—European Economic and Telegraphic Service

6th Edition, 1961. 2,800 pages. $14.30.

"EACH firm participating in international commerce is supposed to have a telegraphic address officially registered." This useful directory of 190,000 importing and exporting companies in Britain, 15 Western European countries, Iceland, Ireland and Turkey is based upon this simple fact.

Part A gives the registered telegraphic addresses alphabetically for each country, with the registrant's name and address. Part B lists, also alphabetically by country, the individual firms, with their telegraphic and postal addresses. Part C should be particularly useful to Canadian exporters because it classifies all these companies by products, beginning with "energy supply". A businessman consulting this directory can discover how many firms in each country make a particular product. Information on forwarding agencies, banks, insurance companies, transport and communications firms, etc., is also included.

Order from: Teleurope, Holzhofallee 38, Darmstadt, Germany.

The West Indies Federation—Perspectives on a New Nation

Edited by David Lowenthal. 135 pages. $3.00.

IN April 1959, Carleton University in Ottawa, with the aid of the Canada Council, sponsored four evening lectures on the one-year-old West Indies Federation. Three North Americans and one West Indian undertook to "evaluate the past, examine the present, and ponder the future of The West Indies." These lectures, revised up to the end of 1960, are now published as one of the Research Series put out by the American Geographical Society.

In the light of Jamaica's decision to withdraw from the Federation, it is interesting to examine the chapter on political development, where some of the reasons for "Jamaica's disenchantment" with the idea of federation are set out. Here too is the statement that The West Indies is "one of the weakest federal systems ever to come into existence"; the reasons for that statement become apparent as the reader reaches the end of this chapter.

The sections on the historic background of these islands and on their social development give valuable insight into the economic problems that face the Federation—a number of widely separated units, steeped in regionalism, trying to become one. In one area—the living together of several races in harmony—The West Indies has set an example for other new states to follow.

Canadians, with their long-continued and special interest in this Caribbean neighbour, should find this analysis of its potentialities and its problems both illuminating and encouraging. Appended is a useful "Selected West Indian Reading List", carefully annotated and covering all sorts of material—from government documents to belles lettres.

Published by: Columbia University Press, 2960 Broadway, New York 27, New York.

What's current in commodities?

Heating Equipment

Britain—Part II of a two-part study on this market concentrates on the best methods of establishing sales outlets, packing and shipping, and promotion; discusses trade terms, discounts, duties and taxes. Part I appeared in our December 16 number.

GEORGE W. ROONEY, *Office of the Minister (Commercial), London.*

FEW North American heating manufacturers have visited Britain since the war, mainly because British import controls on such equipment were in force until June 1959. Since then, a half-dozen North American firms have surveyed the market and some are now starting to develop it. Canada has about 100 heating manufacturers (warm air) for a population of 18 million; there could be enough business in Britain for at least this number, especially if they were distributed regionally and spent the time and money to develop the market. However, selling practices may have to be adapted, proper packing and promotion studied, and trade terms made attractive.

Distribution

Canadian methods of distribution peculiar to the warm-air heating industry may be used to advantage, provided certain features of the British heating industry are allowed for and possibly blended with Canadian methods.

There is a ready-made network of builders' merchants and heating engineers in every town in Britain and all are keen to get more business. When warm-air heating is properly explained, most of them are eager to participate in this new field.

Builders' merchants (and plumbers' merchants) buy in quantity and hold stocks for sale to builders. Some very large builders buy building materials in quantity direct from the manufacturer, but only a few large ones buy heating equipment direct from the manufacturer and usually only when the heating equipment is simple enough to install without the help of a heating engineer.

All installers of central heating equipment in Britain are called heating engineers. The heating engineer sells and installs all heating equipment for existing homes and most new homes. He buys oil-fired boilers and radiators from the manufacturers if possible and his small-bore piping and fittings from the builders' merchants. Many British boiler manufacturers, however, prefer to sell in quantity to the builders' merchants for stockholding and distribution to builders and heating engineers. Some builders' merchants have a network of outlets with showrooms for the display and demonstration of equipment to heating engineers and the public of several counties—for example, Surrey, Kent and Sussex. Builders' merchants give heating engineers and builders short-term credit facilities and hold stocks for large projects.

Canadian heating manufacturers starting in this market therefore have two choices for distribution:

1. Set up their own sales subsidiary to import from Canada and distribute throughout Britain direct to heating engineers.

2. Sell to five or six builders' merchants in regions throughout Britain who will act as importers, stockholders and distributors to heating engineers in their respective regions.

Gas-fired warm-air equipment may be sold and installed through the regional Gas Boards, which have excellent showrooms in every town throughout the country. Gas is very popular for cooking in the British Isles and over the years the Boards have added many gas-appliance lines to their sales programs. The Boards have also built up their own forces of gas-appliance installers and servicemen throughout Britain. As mentioned before, all equipment they handle must have Gas Council approval; the Gas Council is the central testing authority for the regional Gas Boards.

Packing and Shipping

Furnaces must be better packed for ocean shipment than for inland freight in Canada. Canadian manufacturers have found that wooden crates containing four 60,000 BTU counter-flow furnaces in cartons on a pallet are about the best pack. Otherwise, furnaces are invariably damaged and consequently unsaleable.

Ductwork should be nested and also shipped in wooden crates.

Snaplock 4- and 5-inch pipe should be packed separately from fittings, grills and registers, so that their excessive weight will not be thrown against the weaker components when slung on board ship.

With proper documentation, exported equipment takes about one month for delivery door to door (say, Toronto to London) but more time should be allowed for reserving shipping space, making the total shipping time about six weeks. For estimating purposes, freight insurance, customs clearance and forwarding agent charges for shipping fifty 250-pound furnaces at a time total approximately $40 a furnace, including packing.

Tariffs

No customs duty is levied on domestic warm-air furnaces and ductwork, etc., imported from Canada where Commonwealth content is at least 50 per cent. The majority of components or spares made in the United States are charged duty at 17½ per cent. Such items should be documented and shipped separately. There is no purchase tax (comparable to the sales tax in Canada) on domestic central heating equipment sold in Britain.

Certain machinery of a type or kind not obtainable in Britain, such as pipe machines and elbow machines, may be imported duty-free if it is over £2,000 in value.

Trade Terms and Discounts

British heating engineers (dealers) are accustomed to paying "net monthly account" rather than "net 30 days". They also collect in the same manner from their customers. "Net monthly account" means that the bill is payable at the end of the month following date of invoice. Moreover, 2½ per cent discount is often given for prompt payment on these terms. The usual trade discount to the heating engineer is 17½ per cent. The trade discount to the builders' merchant is 30 to 35 per cent and he passes on 17½ per cent to the heating engineer. Quantity discounts and cash discounts are by negotiation.

Whichever method is used, but especially if exclusive dealers are required, a network of heating engineer dealers will have to be trained in Canadian warm-air installation methods, as they are now familiar with radiator systems only. The Canadian manufacturer would have to send over a technical man to spend several months training technical representatives of each of the five or six builders' merchants who, in turn, would train and supervise the network of heating engineers in their region.

One advantage in working through builders' merchants is that they hold stocks of ductwork and fittings for sale over the counter to heating engineers, as they already do with small-bore equipment. They might also be encouraged in time to operate a sheet-metal shop and provide the return air fittings that must be almost tailormade for most existing houses and even some new houses.

Most builders follow the RIBA (Royal Institute of British Architects) terms of trading. Contracts that require payment to subcontractors for heating are payable on receipt of certificate from the architect at regular intervals for value of work completed, less 10 per cent holdback until completion of the contract. Then 5 per cent of value of contract is held for six months for "final satisfaction certificate".

Publicity and Advertising

The British public is vitally interested in finding an answer to its heating problems and all publicity and advertising on this subject is read avidly. One oil company is reported to have set aside £5 million over five years, beginning in 1959, for promotion of oil-fired central heating in the United Kingdom. In addition to advertising, it is giving free training to heating engineers (who are appointed as their "authorized installers") in oil central-heating installation methods; subsidizing the painting of heating engineers' trucks; providing free uniforms for installers; paying commissions to builders and heating engineers for introducing new oil customers; maintaining its own network of oil-heating salesmen; passing on inquiries from the public to the heating engineers, and holding exhibitions of heating equipment at fairs and in builders' show houses.

However, as warm-air heating is comparatively new and comprises only 1 per cent of heating sales to date, further publicity is needed to educate the public that warm air is cheaper, fresher, more flexible for sudden temperature changes, and more effective than other systems of heating in Britain. Possibly Canadian manufacturers as a group, when their numbers grow, could join with the oil companies in a publicity program along these lines, both on a national basis and at point of sale. Meanwhile, advertising in London and county papers, exhibiting at the Builders' Exhibition, the Ideal Home Exhibition, and the Heating Exhibition are all good ways to start selling.

Investigate Personally

There can be no doubt that a substantial demand for central-heating equipment in Britain remains to be filled. The British public is receptive to the idea and most of the antagonism of earlier years to this form of heating has disappeared. Comfort during the winter months is no longer considered a luxury and the average householder is prepared to spend his savings on home improvements that will achieve this objective.

This report provides preliminary information only for Canadian heating-equipment manufacturers; they would be well advised to make a more detailed study of the potential market in Britain by a personal on-the-spot investigation for a few weeks. An intelligent, intensive and sustained effort in this market by Canadian firms should prove most rewarding within a few years. ●

Metals and Minerals

Iraq—Canadian exporters of tinplate, sheet steel, bolts and nuts could improve their sales to Iraq, in spite of severe competition, and this report suggests some ways to go about it.

W. B. WALTON, *Assistant Commercial Secretary, Beirut.*.

THERE is a market in Iraq for metal products such as tinplate, steel sheets, bolts and nuts. Tenders are issued each year by the Oil Affairs Administration for the supply of large amounts of tinplate to be made into containers for the petroleum products manufactured in Iraq's refineries. Tenders for lithographed tinplate and cold rolled steel drum sheets are announced from time to time. Drum sheets and galvanized sheets are imported by a number of private dealers.

Canada's competitors in the Iraqi market for steel sheets and tinplate include Britain, Belgium, Japan, West Germany, the Netherlands and the United States. Japan is the main supplier of galvanized sheet; bolts and nuts are obtained principally from Britain, the United States, Japan, Belgium, Austria and Sweden. European steel prices are somewhat lower than those of North American suppliers. Nevertheless, opportunities exist and Canadian tinplate, steel sheets, bolts and nuts are being sold competitively in Iraq.

One of the difficulties facing the Canadian exporter is lower freight costs from Europe. Another problem is credit terms; large orders are usually made against letter of credit. Nevertheless, suppliers from Britain, West Germany, etc., are prepared to extend to reputable importers credit facilities of 60 to 120 days after documents are received.

Sales Can Be Increased

These problems are not insurmountable. Canadian exporters of tinplate, sheet steel, bolts and nuts could, with more effort, increase their sales to Iraq, and here are some suggestions:

- Make a personal visit. This will permit the Canadian businessman to acquaint himself with Middle East business methods which are very different from those of North America, to make personal contacts (this is important) with Iraqi clients and government officials, and to establish close relations with a responsible agent or become better acquainted with his present representative. Many orders are placed through government or private tenders and an active local agent is a must. Past experience has shown that appointing a non-resident agent, with local sub-agents, is *not* satisfactory.

- Pay more attention to the exact specifications given by the Iraqi importer; he will check the shipment very carefully against his order. Incorrect sizes lead to complaints, delays in payment and loss of profit to all concerned.

- Give careful consideration to extending credit. The stiff competition necessitates flexibility on the part of the Canadian businessman. Payment by letter of credit is desirable, but deferred payment terms may win contracts even if one has not quoted the lowest price. Personal selection of agents and regular visits to Iraq will aid the exporter to make the proper decision in this regard. The Department of Trade and Commerce can also help.

- Provide early delivery and firm delivery dates. Goods are often required quickly and the company which can deliver in the shortest time may very well win the tender, regardless of price. Lack of shipping facilities was at one time a serious handicap to the Canadian exporter, but at present he can ship to Iraq from both the east and west coasts.

EXPORTS FROM CANADA TO IRAQ

	1959	1960	1961 (Jan.-June)
	(in Canadian dollars)		
Steel plates, sheets and strips	1,131	991,390	11,764
Bolts and nuts	11,123	15,916	19,872 (includes screws and washers)

IMPORTS INTO IRAQ

	1958	1959
	(in Iraqi dinar)	
Sheets and plates, of iron or steel, hot-rolled or cold-rolled		
(a) flat, unworked, whether or not pickled:		
Belgium	219,169	249,720
Britain	93,926	30,546
United States	1,934	27,204
France	12,462	....
West Germany	30,787	5,858
Luxembourg	....	5,830
Japan	29,320	4,255
Austria	6,544	250
U.S.S.R.	....	5,800
(b) flat, surface-worked:		
Tinned, of a thickness less than 0.35 mm.		
Canada	1,106	....
United States	60,717	3,045
Britain	42,968	173,562
Belgium	66,330	44,210
East Germany	389	....
Japan	9,051	8,754
Australia	4,470	....
Bolts and nuts, including screws and washers		
Lebanon	449	348
India	1,270	1,165
Switzerland	555	3
Britain	199,708	107,836
Communist China	....	227
Japan	23,656	16,230
West Germany	39,643	1,999
United States	37,216	30,727
Netherlands	7,935	4,190
France	1,893	366
Austria	12,013	12,998
Belgium	54,809	14,813
Czechoslovakia	311	162
Sweden	5,552	8,271
Italy	30,022	2,753
Denmark	51	739
Yugoslavia	....	412
Canada	....	2,060

The Iraqi Government annually eceives petroleum royalties exceed-ng $250 million. Iraq also earns for-ign exchange through its exports of ereals and dates (some of which o to Canada). Foreign exchange or government purchases is there-ore available.

Import and exchange licences are ecessary. Tighter currency restric-ions, in effect since early 1961, imit to some extent the foreign ex-hange accorded to individual im-orters. However, this policy is tated to be flexible and will ease s Iraq's foreign currency position mproves; the outlook is favourable ince this year's crops have been enerally good. There is no dis-rimination against dollar countries.

Customs duties on steel products nd bolts and nuts are:

heets and plates of steel, hot-rolled or cold-olled:

a) flat, unworked—ID0.022* per 10 kilos

b) flat, surface-worked:

1. tinned, thickness less than 0.35 mm. —free
2. other—6 per cent ad valorem

c) otherwise finished or worked—8 per cent ad valorem

olts and nuts—10 per cent ad valorem

*One Iraqi dinar=Can.$2.89.

rospects Are Good

There is no significant local man-facture of steel products and sales rospects for the near future are ood. Iraq's five-year development rogram includes a steel mill pro-ect with an annual capacity of 0,000 tons. It is not expected to e in operation for several years. ron ore deposits have been dis-overed in northern Iraq but at resent are not commercially work-ble. If and when a steel plant is stablished, there will be a market or scrap iron and steel.

Canadian exporters desiring an-wers to specific questions may rite to the Chief, Asia and Middle ast Division, Department of Trade nd Commerce, Ottawa, or directly o the Commercial Counsellor, Ca-adian Embassy, P.O. Box 2300, eirut, Lebanon. •

Lebanon—Imports are large because country lacks mineral and metal resources; market generally free of controls. Some Canadian companies selling here despite costs and competition.

E. MAKLOUF, *Commercial Assistant, Beirut.*

LEBANON buys each year metal products worth over $20 million and minerals valued at about $3 million. This volume is significant when one considers the country's size (4,000 square miles) and population (1.5 million). There are no domestic mineral resources other than marble and limestone. A small deposit of iron is being exploited (mining began only recently) and during 1959 West Germany took about 25,000 tons of this ore. A local steel mill produced 19,000 tons in the same year, using scrap as well as domestic ore. Another steel plant began operating in 1961 with one furnace and a capacity of 25,000 tons a year; a second furnace will be added.

White cement, marble, phosphates, gypsum, sulphur, salt and asbestos fibres form the bulk of mineral imports. Apart from asbestos, supplied by Canada and South Africa, they come mainly from neighbouring Middle Eastern countries and Europe. The postwar residential building boom continues steadily and, together with government development projects, offers increasing possibilities for the sale of metal products. The accompanying table gives average annual purchases. Principal suppliers are France, Germany, Belgium, the U.S.S.R., Luxembourg and Britain.

IMPORTS OF METAL PRODUCTS

	Volume ('000 tons)	Value (L£ millions)
Iron and steel bars	91.0	19.5
Sheets, including tinplate	20.0	6.5
Pipes, tubes, joints and fittings	8.0	3.5
Cables and wire	5.0	2.5
Stoves, heaters, radiators, heating boilers	3.0	4.0
Chains, bolts, nuts, screws, nails, etc.	2.0	1.5
Castings	1.0	0.6
Building fittings, locks	1.0	1.7
Various wares and tools	1.5	2.2

Industry depends entirely on overseas supplies and therefore constitutes an important market. The best customers are the factories, although the small but active workshops should not be overlooked. Local production of metal furniture, pipes and conduits, house and plumbing fittings and aluminum articles is fairly large. An aluminum rolling mill recently bought an extrusion press, financed by the Development Loan Fund, at approximately $400,000. A can factory and a chemical plant producing superphosphates have also begun operating.

Import Regulations and Tariffs

The market is generally free of controls. There are no restrictions on the entry of goods, and exchange can be obtained easily at the present rate of about U.S.$1.00=L£3.05.

TARIFF ON PRINCIPAL COMMODITIES

	(in per cent)
Raw materials for industrial purposes	exempt
Other minerals	11
Iron and steel bars	11
Steel sheets and plates thickness	
less than 1 mm.	exempt
other	11
Wire	11
Cables	
for high voltages	1
other	25
Cast iron tubes and pipes	
for water-supply schemes	1
drainage	20
other	11
Steel tubes and pipes	
high pressure hydroelectric	1
other	11
Chains	11
Bolts and nuts	25
Stoves and central heating equipment	25
Aluminum, copper and brass sheets	11
Aluminum and copper ingots	exempt

Metal furniture, doors and windows are among the few items for which Lebanese importers must get a special permit before shipment is made from the country of origin. This ruling is for the protection of local manufacturers. Duties are moderate and are calculated at the official rate of L£2.19 to the Canadian dollar. The accompanying table gives the customs tariff on principal commodities. A municipal tax of 3 per cent is also levied on all imports.

Openings for Canadians

Asbestos is Canada's main export to Lebanon. Sales reached $346,000 in 1960 and $212,000 during the first half of 1961. One of Lebanon's two cement plants recently bought $32,000 worth of Canadian magnesite refractory bricks. Sales of metal products from Canada include aluminum ingots ($35,000 in 1960 and $51,000 in the first six months of 1961), steel sheets and strips ($28,000 and $15,000), copper tubing ($12,000 and $2,500).

The Lebanese market is extremely competitive and merchants' profits sometimes drop to rock-bottom. The following figures from a survey made by the Department of Statistics in Beirut illustrate the situation: iron and steel bars for buildings, wholesale, 8 mm. $127 a metric ton, 12 mm. $121, 16 mm. $115; galvanized wire No. 3, $26 a metric ton; centrifugal cast iron pipe, 100 mm. diameter $1.59 pe linear metre, 125 mm. diamete $1.98, 150 mm. diameter $2.80.

The present price, c.i.f. Beirut for German $\frac{3}{8}$-inch steel bars i about $112 a ton. Tinplate of firs choice from Britain is $155, wast $115, and cobbles $110 a ton c. & f. Lebanon.

Canadian firms should not fee that their prices are necessarily ou of line. Canadian quality is recognized and Canadians are selling to Lebanon and other countries o the Middle East. The Commercial Counsellor, Canadian Embassy P.O. Box 2300, Beirut, is anxious to receive specific inquiries from exporters and will investigate market possibilities carefully. •

COMMODITY NOTES

Caustic Soda

BRAZIL—Consumption of caustic soda in Brazil in 1960 totalled an estimated 190,000 tons; local production accounted for 80,000 tons, or approximately 42 per cent. Imports of caustic soda in 1960 came mainly from the United States ($4.3 million), the United Kingdom ($1.8 million), Hungary ($500,000), and Yugoslavia ($400,000). Canada's sales to Brazil in 1960 reached $73,874—Rio de Janeiro.

Cellulose Film

COLOMBIA—Celanese Colombiana has announced that the machinery for the new transparent cellulose film plant at Barranquilla is ready and production is expected to begin in the second quarter of 1962. Initial production of two million kilos will slightly exceed annual Colombian consumption. The company has made provision to double this output and will undertake an energetic program of export to neighbouring countries—Bogotá.

Chemicals

FRANCE—Kuhlmann, France, and E. I. Dupont de Nemours of the United States will form a new company for the manufacture and sale of isocyanates, a basic raw material used in the production of polyurethane moss. The new company will be established near Lille. Construction will begin next year, with production expected by 1963. The object is to supply the Common Market countries—Paris.

Diesel Engines

INDIA—Kirloskar Oil Engines Ltd., Poona, has made an initial small shipment of five horsepower, 15,000-r.p.m. vertical-type diesel engines to the West Coast of the United States. The company entered the export field in 1952 and since then has reportedly exported more than 8,000 engines and pumps, mainly to the Middle East, South East Asia, North Africa and Central America. Its exports of engines in 1960 totalled approximately $600,000, and in 1961 about $1 million—Bombay.

Flour

SINGAPORE—Local companies will build Singapore's first two flour mills. The Government has awarded pioneer certificates to both mills, exempting them from income tax for five years from the date production begins. Plans are to have them in operation within the next twelve months. Together they will produce an estimated 70,000 tons a year but, since Singapore and the Federation of Malaya imported for consumption and re-export over 174,000 tons in 1960, production will meet only part of the demand.

Prima Ltd. is constructing a mill with a capacity of 160 tons of wheat a day. Located directly on the sea-

front, it will have bulk-unloading facilities and storage for 10,000 tons. The company has purchased modern milling equipment from Swiss manufacturers. The Khong Guan Biscuit Co. will build the second mill, with similar facilities, on Singapore Island's eastern shore. Using equipment purchased from Italy, the mill will have a capacity of 120 tons a day. Both companies intend to buy Canadian and Australian wheat in bulk. Byproducts will be mixed by local animal-feed mills for local consumption—Singapore.

Furniture

NORWAY—Norway's thriving furniture industry has been scoring successes in foreign markets. Exports for 1961 are likely to reach $3.6 to $4.3 million, compared with about $2.5 million in 1960. A large number of important foreign buyers visited the export furniture fair in Stavanger last May and placed several big orders. Main markets for Norwegian furniture are the United States, West Germany and Sweden. However, manufacturers are making progress in the British market: Great Universal Stores has introduced Norwegian furniture and expects to sell about $290,000 worth in the coming year. The success of a recent exhibition in Australia points to increasing sales there—Oslo.

Iron Ore

SWAZILAND—Two Japanese iron and steel companies have contracted to buy 13 million tons of iron ore from Swaziland over ten years beginning in 1964. The contract is worth over $110 million.

To transport the ore to the Mozambique port of Lourenco Marques, a 146-mile rail link will be built to connect the mine to the Mozambique rail system. Guest, Keen and Nettlefold, the Colonial Development Corporation, and the Anglo-American-De Beers mining groups of South Africa will jointly finance both the railway and the mine. About 47 million tons of 61-63 per cent ore have been proved and the Japanese group has first option on reserves when the present contract expires. Port facilities are being expanded and improved in Lourenco Marques and Norwegian firms will build three ships of 65,000 tons each to handle the ore. Total cost of the whole project will run close to $90 million.

A Swaziland Railway Board will be established soon and it will call tenders for the civil engineering and the material requirements. Interested Canadian companies should write the Canadian Government Trade Commissioner, P.O. Box 715, Johannesburg—Johannesburg.

Paper

COLOMBIA—A new paper mill, Planta Productora de Papeles (PROPAL), built by W. R. Grace and International Paper, began production last summer. Situated in Yumbo, near Cali, it has a projected annual production of 54,000 tons. The owners will obtain about 85 per cent of required raw materials locally, including bagasse, coal, caustic soda, chlorine, lime, alum, sodium carbonate, sulphur and starch. Expected annual savings in foreign exchange total about U.S.$10 million.

The management has undertaken to supply a wide range of fine and printing papers. The Colombian Association of Printers claims that this policy will result in a sharp rise in the cost of paper, a shortage of certain varieties of paper, and a fall in quality. Reduced paper imports to encourage the new company have already been indicated.

Another paper factory, Papeles Nacionales, with a capital of U.S.$3.5 million, is under construction at Pereira. It will produce paper towels and similar articles and is expected to begin production in March 1962—Bogotá.

Seeds

FRANCE—France imported about $9.3 million worth of forage, flower and tree seeds in 1960, of which only 4 per cent originated in the franc zone. EEC countries supplied about 30 per cent, other foreign countries over 65 per cent of total imports. The United States supplied forage and grass seeds valued at $2.25 million; Canadian exports to this market totalled $330,000. France has liberalized imports of seeds of this type and exempted them from duty. Prospects for increased exports from Canada are therefore excellent. In fact, exports during the first six months of 1961 ran 25 per cent higher than for the same period last year—Paris.

Tires

NIGERIA—A £3½ million tire factory is being built in Port Harcourt by the Michelin Tyre Co. Ltd. of England in partnership with the Eastern Region Government. The factory will be ready for operation in October 1962 and will manufacture ten tons a day of various sizes of motor tires—Lagos.

Tires and Tubes

FRANCE—Firestone Tire and Rubber Company has just completed building one of the most modern tire plants in the world at Bethune in the Pas-de-Calais area. It occupies 34,000 square meters and employs 300 people. During the first year production is expected to reach 4,000 tires and 2,300 inner tubes a day; this can be increased by 50 per cent if necessary. Most of the machinery was constructed in France, says *La France Industrielle*—Paris.

Zinc

NORWAY—The only zinc producer in Norway, Det Norske Zinkkompani A/S, a subsidiary of the Belgian firm, Cie. Royale Asturienne des Mines, is planning to expand capacity at its plant at Odda, West Norway,

from 48,000 to 65,000 tons of zinc a year. Also, the firm will double its output of sulphuric acid to 100,000 tons a year and increase production of phosphoric acid. The expansion is estimated to cost 40 million kroner and is to be completed in four or five years. The nearby A/S Tyssefallene will supply hydroelectric power. Last year Det Norske Zinkkompani A/S produced 48,000 tons of electrolytic zinc, 130 tons of pure cadmium, 50,000 tons of sulphuric acid, 65,000 tons of phosphate fertilizers and a little copper. Production reached 100 million kroner in value and exports 75 million kroner—Oslo.

FOREIGN TARIFFS AND TRADE REGULATIONS

Burma

IMPORT DUTIES INCREASED—In a Customs notification dated September 15, 1961, and effective from that date, the Government of Burma announced changes in the rates of duty on some 130 tariff items. The amendment increased 160 rates of duty substantially, in some cases more than seven times.

The increased rates, for the most part, affect luxury items, such as radio receiving sets on which the rate of duty rises from 40 per cent to 150 per cent ad valorem, musical instruments from 40 to 200 per cent, binoculars from 50 to 200 per cent, and smokers' requisites from 75 to 200 per cent. Increased rates also affect some foodstuffs, such as canned fish from 35 to 75 per cent ad valorem, and canned fruits from 30 to 150 per cent ad valorem.

Other items affected that are of interest to Canadian exporters include: condensed milk from 25 to 35 per cent ad valorem; tires and tubes from 25 to 40 per cent; automobiles from 50 to 75, 125, 200 and 300 per cent ad valorem, depending upon the c.i.f. value; asbestos manufactures from 15 to 50 per cent ad valorem.

The new rate of duty on any particular commodity affected by this amendment may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Lebanon

IMPORT REGULATIONS ON FLOUR AMENDED—In a decision dated October 13, 1961, and effective from that date, the Government of Lebanon announced through the Minister of National Economy that flour containing bromate in a proportion not exceeding ten million units will be considered a natural product and may be imported.

IMPORT REGULATIONS ON MILK POWDER AMENDED—In a decision dated October 4, 1961, the Minister of Agriculture of the Lebanese Government announced that the previous decision to prohibit import of milk powder containing no fat, or less than 25 per cent of fat, (see *Foreign Trade,* September 4, 1961, page 25), will not apply to shipments to the local biscuit and chocolate factories provided that the products are mixed at the factory premises with a colouring matter and their continued use is under the supervision of officials from the Customs Department and the Ministry of Agriculture.

Norway

NEW LIBERALIZATION SCHEDULES ANNOUNCED—The Norwegian Ministry of Commerce and Shipping has announced that further liberalization of imports will be carried out in three stages on January 1 and July 1, 1962, and on January 1, 1963.

To be liberalized on January 1, 1962:

Sugar confectionery, not containing cocoa

Chocolate couverture

Chocolates and filled eating chocolate

Prepared foods obtained by the swelling or roasting of cereals (puffed rice, cornflakes and the like)

Pastry, cakes and other fine bakers' wares, except biscuits and wafers

Soups and broths in liquid, solid or powder form

Household soaps

Casein glues

Plywood, blockwood, laminboard, battenboard, and similar laminated wood products (including veneered panels and sheets)

Cellular wood panels, whether or not faced with base metal

Windows and window frames of wood

Building board of wood pulp or vegetable fibre, whether or not bonded with natural or artificial resins or with similar binders

Tableware and other articles of porcelain, china and faience of a kind commonly used for domestic or toilet purposes

Bottles for beer, mineral water, juice, milk, wine and spirits

Glassware of a kind commonly used for table, kitchen, toilet or office purposes

Soil pipes and parts

Netting manufactured of wire

Table knives

Spoons and forks, not silver-plated

Refrigerators (excluding freezers) for domestic use

Deep freezers, refrigerator counters incorporating a refrigerating unit for other uses.

Refrigerating equipment

Motor vehicles for the transport of persons, including buses

Delivery vans, new and used
Trucks
Bodies for motor vehicles
Motorcycles, new, under 50 cc.'s
Trailers
Flying machines, gliders and kites; rotochutes
Tugs
Light vessels, dredgers of all kinds, floating docks
Chairs and other seats of wood, except wickerwork
Other furniture with gilding, or of wood of foreign trees, or veneered with such wood

To be liberalized on July 1, 1962:

Crude, refined or purified soya oil, cotton seed, groundnut, coconut oil
Biscuits and wafers
Soap powder
Surface active preparations and washing and cleaning preparations containing surface active agents but not containing soap
Doors and door frames of wood
Boxes, pouches, wallets and writing compendiums, containing only an assortment of paper stationery

To be liberalized on January 1, 1963:

Animal or vegetable fats and oils, hydrogenated, whether or not refined but not further prepared
Reconstituted wood, being wood shavings, wood chips, sawdust, wood flour or other ligneous waste, agglomerated with natural or artificial resins or other organic binding substances, in sheets, blocks, or the like
Enamel bathtubs other than cast tubs
Refrigerators (excluding freezers) incorporating a refrigerating unit, for domestic use, with a capacity of not more than 0.284 cubic metres
Deep freezers incorporating a refrigerating unit, for domestic use
Receiving apparatus for television
Receiving apparatus combined for radio broadcasting and television, including those incorporating gramophones and/or tape recorders
Parts for radio broadcasting and television reception apparatus, with an f.o.b. value of over Kr.100 each.

Detailed information is available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

United States

ESCAPE CLAUSE INVESTIGATION OF CREEPING RED FESCUE SEED—Upon application filed by the Chewings Fescue and Creeping Red Fescue Commission of the State of Oregon, and others, the United States Tariff Commission, under authority of Section 7 of the Trade Agreements Extension Act of 1951 as amended, has instituted another investigation to determine whether creeping red fescue seed, classifiable under paragraph 763 of the tariff act of 1930, is, as a result in whole or in part, of the customs treatment reflecting the concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing the like product.

A public hearing in connection with this investigation will begin at 10.00 a.m. EST on February 27, 1962, in the Hearing Room, Tariff Commission Building, Eighth and E Streets N.W., Washington, D.C. Interested parties desiring to appear and to be heard should notify the Secretary of the Commission at least five days in advance of the date set for hearing.

Venezuela

NOTARIZED COMMERCIAL INVOICES—The Foreign Exchange Control Office has issued a notice to importers which amends the instructions concerning the sworn-value declaration on commercial invoices. Under date of November 24, 1961, importers are advised that, in order to be entitled to "controlled exchange", they must present to the Office of Exchange Control, in addition to the usual import documents, a sworn declaration by the exporter certifying that the invoiced prices are the normal export prices for Venezuela on the date of the invoice. The declaration must be written on the face or on the back of the original and final invoice, and must be legalized before a Notary Public or any other official with notarial powers. In the event that there is no notary or other qualified person at the place of shipment, the sworn-value declaration may be replaced by a similar certification issued by the Chamber of Commerce and signed by its legal representatives. In the latter case, such signatures must be legalized by Venezuelan consular authorities having jurisdiction over the place of shipment.

Trade Commissioners on Tour

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Khartoum from January 15-20.

F. B. CLARK, Commercial Counsellor in Mexico City, will visit Durango, Torreon and Chihuahua in central Mexico, from January 8-12.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from January 22-26.

J. B. McLAREN, Vice Consul and Assistant Trade Commissioner in Philadelphia, will visit Baltimore January 8-12, and Wilmington January 22-24.

J. R. MIDWINTER, Commercial Secretary in Santiago, Chile, will visit Valdivia, Osorno, Puerto Montt and Punta Arenas from January 3-12.

W. J. MILLYARD, Consul and Trade Commissioner in Philadelphia, will visit Wilmington January 22-24.

M. T. STEWART, Commercial Counsellor in Madrid, Spain, will visit Gibraltar during the last week in January.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Clark at Mexico City, Mr. McLane at Glasgow, Mr. McLaren and Mr. Millyard at Philadelphia, Mr. Midwinter at Santiago and Mr. Stewart at Madrid.

A Look at Chile's Import Policy

Import policy in Chile remains restrictive, but change-over to customs surcharges from the prior deposit system has brought a modest improvement in sales prospects. Exporters will find this concise review of current tariff policy and practice useful.

J. R. MIDWINTER, *Commercial Secretary, Santiago.*

SINCE 1959, the Government of Chile has been gradually replacing the system of prior deposits on imports by a regime of customs surcharges. With the publication on November 13 of a consolidated list of products now to be subject to surcharge instead of prior deposit, this program is virtually complete. Only a few relatively insignificant items of agricultural machinery remain liable for prior deposit and these will probably be freed soon. The over-all effect has been a modest reduction in protection and imports have risen accordingly.

The prior deposit system required importers, when ordering merchandise from abroad, to deposit with the Central Bank up to 1,500 per cent of the c.i.f. value for a period of 30 to 90 days, depending upon the commodity involved. Because of high interest rates in Chile, the cost to the importer was substantial —up to 90 per cent of the c.i.f. value for goods subject to deposit of 1,500 per cent. The system had the twin disadvantages of absorbing a high proportion of the country's scarce credit resources while producing revenue for commercial banks and other private lenders rather than the Treasury. It was to correct this situation that the Government decided to change over to customs surcharges.

The list published on November 13 includes many items of interest to Canadian exporters, such as primary aluminum, synthetic rubber, whisky, mining equipment, farm implements, synthetic fibres, asbestos fibres, and refractory brick. The effective change in import costs, however, is in almost all cases quite insignificant, amounting to fractions of 1 per cent or at best, 1 or 2 per cent. In other words, the authorities in most cases merely selected a surcharge rate to produce the same level of protection previously provided by the cost of borrowing funds to meet the prior deposit requirement.

High Tariff Country

Chile's import policy, which continues to be highly restrictive, is guided by four basic elements, three of which contribute to a high tariff level: (1) protection of existing industry; (2) government revenue needs; (3) conservation of foreign exchange, and (4) encouragement, through remission of duties, of new development in specified industries and in certain regions.

Articles produced domestically are protected by high, and in most cases prohibitive, tariffs. This protection affects particularly processed foods and beverages, appliances and other consumer durables, textile products, footwear, and a considerable range of chemical, drug and paint manufactures. A manufacturer going into a new line can reasonably anticipate receiving almost complete protection from outside competition.

The Treasury's heavy dependence on customs receipts also contributes to a high average level of tariff incidence. In 1961, for example, 20 per cent of the Government's revenue on current account was derived from the tariff.

The need to conserve scarce foreign exchange reserves for the import of industrial raw materials, food and capital goods and for the servicing of foreign debts is the third factor contributing to a high tariff level. Especially affected are luxury and other non-essential consumer goods and these are also subject to high internal taxation. Discouragement of imports to save foreign exchange obviously conflicts with the objectives of maximizing tariff revenue and maintaining stability of internal prices, and the Government has continually to balance one against the other to avoid the twin perils of inflation and currency devaluation. There is unfortunately little room for manoeuvre.

Several Charges Imposed

General duties and taxes imposed on imports currently include the following: specific duty, import excise tax, consular fee, ocean freight tax, and the customs surcharge referred to above. There are in addition special imposts against some classes of imports (such as butter, benzene, and motor vehicles) and a number of minor charges of a general nature.

The specific duty is generally, though not always, levied on gross weight (kilo bruto) and is usually relatively low. The unit of assessment is the Chilean gold peso, which equals U.S.$0.21.

The import excise tax is an ad valorem charge levied on total landed value (c.i.f. value plus spe-

cific duty, consular fee, ocean freight tax, port and warehouse charges, etc., but *excluding* the customs surcharge). The rate is 3 per cent on essential goods, 62 per cent on items classed as luxuries, and 30 per cent on all others. Goods classified in the latter two groups but which are among those on which Chile has granted tariff reductions under GATT are taxed at a lower rate.

All imports are charged a consular fee of $2\frac{1}{2}$ per cent on f.o.b. value; since January 1961 this has been collected directly by the Customs authorities at the time of entry. Finally, there is a tax to support the Chilean merchant marine of 3 per cent of ocean freight charges.

It will be apparent from the above paragraphs that the landed cost of many non-essential commodities can easily mount up (with the customs surcharge) to two and three times the f.o.b. value.

Some Regions Exempted

Some relief from the generally high tariff level is afforded by a complex system of concessions and waivers designed to promote development of specific industries and to encourage development and keep down living costs in the more remote sections of the country.

The Department of Arica in the north of Chile, and the provinces of Magallanes, Chiloé and Aysén in the south have been constituted as Free Zones.

On imports into Arica, there is a general impost of only 10 per cent of the c.i.f. value (except for a few essential items which enter free) plus an additional 15 per cent on goods classed as "luxury".

Duty-free imports into the southern provinces are limited to the value of exports from that area. The quota established up to the end of November 1961 totals U.S.$15 million.

A few other areas, chiefly the northern provinces of Tarapacá and Antofagasta, receive virtually duty-free privileges on the import of some foodstuffs, including wheat, flour, powdered milk and meats. The department of Iquique and Pisagua in Tarapacá province, Taltal in Antofagasta, and Chañaral in the Province of Atacama are accorded the free import of raw materials, machinery, spare parts, commercial vehicles and fuel when suitable domestic substitutes are not available.

Specified Industries Exempted

Several statutes provide for duty-free import of machinery and equipment to stimulate establishment of new industrial enterprises and to encourage certain existing industries.

Approved new industries may be exonerated from payment of all duties and taxes on imports of machinery and other requisites, provided 80 per cent of the raw materials that the completed plant will consume are of Chilean origin. Similarly, capital goods that represent subscriptions by foreign investors in existing or new enterprises are allowed entry duty-free.

Imports of machinery and equipment by certain specified industries are exempted from some or all customs charges. These industries include mining, fishing, iron and steel, nitrates and electric power. Railways, airlines, newspaper publishers, universities, and public service organizations are also granted special import privileges from time to time.

Most farm machinery (excluding spare parts) may be imported free of all duties. In practice, 90 per cent of the latter are actually brought in by CORFO, the Government's industrial development agency, and resold to farmers on credit terms. Imports via this channel are stated to total $7 million up to the end of November 1961.

Other provisions allow for import of certain goods on consignment, postponement of payment of duties on raw and semifabricated materials until after manufacture of the finished articles, and for customs drawback on re-exports.

To summarize, Canadian exporters will find it almost impossible to surmount Chile's protective tariff structure with articles already produced within the country. The market for luxuries and other non-essential consumer goods, even though these are not manufactured in Chile, is also very restricted; high duties push up landed prices to a point where only the wealthy can afford to buy. (The Free Zones are exceptions; though small markets, most commodities may be sold in them even though excluded from the rest of the country.) There are, however, no prohibitive barriers to the sale of industrial raw materials and machinery and equipment of many kinds. Chilean importers and commission agents are usually familiar with the complex system of customs exemptions which frequently makes sales possible.

New Tariff Soon

The Chilean Government is now preparing a new simplified tariff that will probably be put into effect late in 1962. This tariff, based on the Brussels nomenclature, is expected to consolidate in a single duty the various charges now imposed. The level of protection, however, is unlikely to be lowered.

The Government of Chile has attached much weight in its commercial policy to trading relations with other members of the Latin American Free Trade Association. The first round of tariff negotiations is still under way. The Government, however, in order to obtain significant advantages for Chile's important steel, copper and forest industries, may in turn extend fairly widespread concessions to other members. These may create difficulties for a few Canadian exporters. On the other hand, expansion of Chile's basic industries to serve other Latin American markets will almost certainly create much greater opportunities for Canadian suppliers of industrial raw materials not available in the Free Trade Area and for capital goods of all kinds. ●

Canada

REFRIGERATED SERVICE TO AFRICA—Christensen Canadian African Lines, operating between Eastern Canadian ports and ports in South and East Africa, is equipping three of its ships with refrigerated space. The 'tween decks of the vessels are to be insulated to carry oranges and deciduous fruits under refrigeration from South Africa to Canada. The reefer-equipped vessels should assist Canadian exporters in selling perishable products to South and East Africa.

The M.S. *Thorsriver* will be equipped to sail from Saint John, N.B., on February 28, 1962, and is scheduled to return to Canada from Cape Town about the end of April. The M.S. *Thorshope* will sail from Montreal on April 28 and return from Cape Town on June 16. Sailing dates of the third reefer-equipped vessel have not yet been announced.

Kerr Steamships Limited, Montreal, are agents for the Christensen Canadian African Lines—Ottawa.

REFRIGERATOR SERVICE TO AUSTRALIA—The J. Lauritzen Line recently inaugurated a new refrigerated service between Australia and Pacific Coast ports, including Vancouver, using two refrigerator vessels, the *Brazilian Reefer* and the *Peruvian Reefer*. The first sailing was scheduled for October 13, 1961, and the second for November 17, 1961. However, according to the Vancouver agents, the North Pacific Shipping Company Limited, the line is not at the present time accepting cargo from Canada for the return voyage to Australia. For some years J. Lauritzen has operated a refrigerator service between New Zealand and Vancouver—Ottawa.

Italy

BUILDING NEW VESSEL—Construction of a new passenger vessel ordered by the Home Line for the transatlantic run between the Channel ports and Canada has begun in the Monfalcone shipyards of the Cantieri Riuniti dell'Adriatico of Trieste.

The liner will accommodate 302 first- and 1,265 tourist-class passengers. Its gross tonnage will be 33,000 tons, it will have a speed of 26 knots, and will have air-conditioning throughout and the most modern type of stabilizers. The launching is expected in June 1962 and the ship will go into service toward the end of 1963—Rome.

IMPROVEMENTS TO GENOA—The Port of Genoa has received financial approval to carry out comprehensive improvements and enlargements estimated to cost $17 million. Improvements include a fifth drydock costing over $6 million, construction of which has already been started; completion of the installation of mechanical equipment, including 51 new cranes, at a cost of $3.5 million; and building of a fuel-oil port, the initial stage of which will require an expenditure of $4 million for the three wharves. Other improvements include new warehouses, roads and railway sidings—Rome.

Netherlands

OIL TANKERS—A 78,000-ton oil tanker for the Esso Petroleum Company of London, described as the largest ever built in the Netherlands, was launched at the Verolme Shipyard (Rozenburg) in September. Thirteen powerful tugs pulled the giant vessel out of a 300-metre-long dock and towed it to the Nieuwe Waterweg. The keel, 261 metres long, was laid in August 1960. As soon as the 78,000-ton tanker left the dock, workers laid the keel for an even bigger one of 86,000 tons, also for Esso—The Hague.

United States

BULK TERMINAL—A new bulk terminal has recently been opened at Chicago, connecting ocean-going and Great Lakes ships with United States railroads and Mississippi barge lines. The terminal is owned by Iroquois Terminals Inc., a subsidiary of Luria Bros. and Company, Inc. Dockside draft is 26 feet. Iroquois Terminals claims it can tranship loose bulk at the rate of 30 tank cars in 100 minutes. There are six open-storage pits, each with a capacity of about 100,000 tons of dry bulk materials—Chicago.

New Office in West Germany

THE sixty-third overseas post to serve Canadian exporters, and the third in West Germany, has been opened in Dusseldorf by Howard E. Campbell. His title is Consul and Trade Commissioner, and his address: Canadian Consulate, 11-17 Flingerstrasse (P.O. Box 2102). Dusseldorf is the focal point of the industrial Ruhr area and a distribution centre for a population of 18 million.

Mr. Campbell joined the Trade Commissioner Service in 1947 and has served in New York, Johannesburg and Kingston. He looks forward to assisting Canadian businessmen who are interested in trade in the Dusseldorf area.

Foreign Commercial Representatives in Canada

ARGENTINA

Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

AUSTRALIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Calgary—Consulate of Austria, 31 Hollinsworth Bldg.
Halifax—Consulate of Austria, 6 Young Avenue.
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, 525 Seymour Street.
Winnipeg—Consulate of Austria, 54 Harrow Street.

BAHAMAS

Toronto—Trade Commissioner, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM

Montreal—Consul General of Belgium, 709 Sun Life Bldg.
Toronto—Consul General of Belgium, Roome 303, 11 Adelaide Street West.
Vancouver—Consul General of Belgium, Room 1432, 355 Burrard Street.

BOLIVIA

Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

BRAZIL

Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Brazilian Commercial Service, Room 302, 400 St. James St. West.
Toronto—Brazilian Commercial Service, Suite 1006, 2 Carlton Street.

BRITAIN

Ottawa—The Senior British Trade Commissioner in Canada and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—The British Trade Commissioner in Alberta, Imperial Bank Bldg., Jasper Avenue.
Halifax—The British Trade Commissioner in the Atlantic Provinces, 65 Spring Garden Road.
Montreal—The Principal British Trade Commissioner in the Province of Quebec, 635 Dorchester Boulevard West.
Regina—The Assistant British Trade Commissioner in Saskatchewan, Room 207, Derrick Bldg., 2431 11th Avenue.
Toronto—The Principal British Trade Commissioner in Ontario, 119 Adelaide Street West.
Vancouver—The Principal British Trade Commissioner in British Columbia, Bank of Nova Scotia Bldg., 602 West Hastings Street.
Winnipeg—The British Trade Commissioner in Manitoba and Saskatchewan, 403 Royal Bank Bldg., 504 Main Street.

CHILE

Ottawa—Embassy of Chile, 56 Sparks Street.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA

Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA

Ottawa—First Secretary and Consul, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.
Toronto—Consul of Colombia, 67 Yonge Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA

Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA

Cuban Trade Commissioner, Suite 1190, 1435 Saint Alexandre Street.

CZECHOSLOVAKIA

Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

DENMARK

Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Consul General, Royal Danish Consulate General, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 118 Danforth Avenue.

DOMINICAN REPUBLIC

Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR

Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.
Vancouver—Consul of Ecuador, 3532 West 32nd Avenue.

EL SALVADOR
Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND
Ottawa—Attaché, Embassy of Finland, 85 Range Road.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 2060 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 1 Waverley Street.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate General of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

GHANA
Ottawa—Counsellor, Office of the High Commissioner for Ghana, Suite 606, The Fuller Building, 75 Albert Street.

GREECE
Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI
Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.
Halifax—Honorary Consul of Haiti, 50 Sackville Street.
Montreal—Consul General of Haiti, 3449 Prudhomme Avenue.

HONDURAS
Montreal—Consul General, Consulate General of the Republic of Honduras, 5407 Coolbrook Avenue.

INDIA
Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

INDONESIA
Ottawa—Second Secretary (Economics), Indonesian Embassy, 275 MacLaren Street.

IRAN
Ottawa—Counsellor, Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

IRAQ
Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 1801 P. Street, N.W.

IRELAND
Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

ISRAEL
Montreal—Consul of Israel (Commercial), 1555 McGregor Street.

ITALY
Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 3615 Cote des Neiges Road.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.
Vancouver—Italian Trade Commissioner, 640 Hastings Street West.

JAPAN
Ottawa—First Secretary (Commercial), Embassy of Japan, 75 Albert Street.
Montreal—Consulate General of Japan, 1310 Greene Avenue, Westmount.
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.
Vancouver—Consulate of Japan, 510 Hastings Street West.
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

LEBANON
Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 3, Laurier Avenue West.

LUXEMBOURG
Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO
Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Quebec—Consulate of Mexico ad honorem, 51 Garden Street.
Montreal—Trade Commissioner of Mexico, Windsor Hotel.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.

MONACO
Montreal—Consul of Monaco, Suite B, 2211 Closse Street.

NETHERLANDS
Ottawa—Commercial Secretary, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate General, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate General, 159 Bay Street.
Vancouver—Netherlands Consulate General, 475 Howe Street.
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.

NICARAGUA

Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

NORWAY

Montreal—Consul General of Norway, Norwegian Consulate General, 1410 Stanley Street.

PAKISTAN

Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

PANAMA

Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Trade Commissioner, Philippines Consulate, 615 West Pender Street.

POLAND

Ottawa—Commercial Counsellor to the Polish Embassy, Apt. 58, 255 Stewart Street.
Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.
Halifax—Consulate of Portugal, P.O. Box 355.
Montreal—Consulate of Portugal, 4135 Sherbrooke Street West.
North Sydney—Consulate of Portugal, P.O. Box 769.
Saint John—Consulate of Portugal, 4 North Wharf.
Toronto—Consulate of Portugal, 159 Bay Street.
Vancouver—Consulate of Portugal, 1929 West Broadway.

REPUBLIC OF SOUTH AFRICA

Ottawa—Commercial Secretary, South African Embassy, 15 Sussex Drive.

SPAIN

Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

SWEDEN

Ottawa—Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Royal Consulate General of Sweden, 2055 Bishop Street.
Toronto—Trade Commissioner for Sweden, 1057 Bay Street.
Vancouver—Trade Commissioner for Sweden, Dominion Bank Bldg., Room 914, 207 West Hastings Street.

SWITZERLAND

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 100 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

THAILAND

Toronto—Consul of Thailand, Suite 600, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED ARAB REPUBLIC

Ottawa—Commercial Secretary, Embassy of the United Arab Republic, Roxborough Apts., Apt. 62.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, 315-8th Avenue, S.W.
Edmonton—Consul of the United States, 1004 Jasper Avenue.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Avenue.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 206 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., the Roxborough Apts., Apt. 32

VENEZUELA

Halifax—Consul of Venezuela, Roy Bldg., Barrington Stret.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Consul of Venezuela, 525 Seymour Street.

THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS

Montreal—Commissioner for The West Indies, British Guiana, and British Honduras, Suite 200, 1210 Sherbrooke Street West.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .958947.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 18	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01263	79.18	
Austria	Schilling		.04039	24.76	
Australia	Pound		2.3448	.4265	
Bahamas	Pound		2.9310	.3412	
Belgium and Luxembourg	Franc		.02095	47.73	
Bermuda	Pound		2.9310	.3412	
Bolivia	Boliviano	Free	.00008892	11,246.06	
British Guiana	Dollar		.6106	1.64	
British Honduras	Dollar		.7427	1.35	
Brazil	Cruzeiro	Free	.002877	347.58	
		Special Category	†	†	
Burma	Kyat		.2190	4.57	
Ceylon	Rupee		.2198	4.55	
Chile	Escudo	Free	.9913	1.01	
Colombia	Peso	Certificate	.1556	6.43	
Congo, Republic of.	Franc		.02095	47.73	
Costa Rica	Colon		.1574	6.35	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1448	6.91	
Denmark	Krone		.1518	6.59	
Dominican Republic	Peso		1.04281	.9589	
Ecuador	Sucre	Official	.05793	17.26	
		Free	.04823	20.73	
El Salvador	Colon		.4171	2.40	
Fiji	Pound		2.6405	.3787	
Finland	Markka		.003259	306.84	
France, Monaco, etc.	New Franc		.2128	4.70	(1)
Franco-African Republics, etc.	Franc		.004256	234.96	(2)
French Pacific	Franc		.01170	85.47	(3)
Germany	D Mark		.2608	3.83	
Ghana	Pound		2.9310	.3412	
Greece	Drachma		.03476	28.77	
Guatemala	Quetzal		1.04281	.9589	
Haiti	Gourde		.2086	4.79	
Honduras	Lempira		.5214	1.92	
Hong Kong	Dollar	Free*	.1831	5.46	*Dec. 8
		Official	.1832	5.46	
Iceland	Krona	Official	.02425	41.24	(4)
India	Rupee		.2198	4.55	
Indonesia	Rupiah	Official	.02317	43.15	(4)
Iran	Rial		.01377	72.64	
Iraq	Dinar		2.9199	.3425	
Ireland	Pound		2.9310	.3412	
Israel	Pound		.5793	1.73	
Italy	Lira		.001680	595.24	
Japan	Yen		.002897	345.18	

†Exchange auctions will be held each week for limited amounts of exchange.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 18	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3277	3.05	
Mexico	Peso		.08343	11.99	
Morocco	Dirham		.2086	4.79	
Netherlands	Florin		.2895	3.45	
Netherlands Antilles	Florin		.5530	1.81	
New Zealand	Pound		2.9110	.3435	
Nicaragua	Cordoba	Effective buying	.1580	6.33	
		Official selling	.1479	6.76	
Nigeria	Pound		2.9310	.3412	
Norway	Krone		.1465	6.82	
Pakistan	Rupee		.2198	4.55	
Panama	Balboa		1.04281	.9589	
Paraguay	Guarani	Official	.008244	121.30	
Peru	Sol		.03887	25.73	
Philippines	Peso	Free	.3476	2.88	
		Official	.5214	1.92	
Portugal & Colonies	Escudo		.03639	27.48	(5)
Republic of South Africa	Rand		1.4655	.6824	
Singapore and Malaya	Straits Dollar		.3420	2.92	
Spain and Dependencies	Peseta		.01738	57.54	
Sweden	Krona		.2020	4.95	
Switzerland	Franc		.2417	4.14	
Syria	Pound	Free	.2915	3.43	
Thailand	Baht	Free	.04933	20.3	(4)
Tunisia	Dinar		2.5236	.3962	
Turkey	Lira		.1159	8.63	(4)
United Arab Republic	Pound	Official	2.9945	.3339	
United Kingdom	Pound		2.9310	.3412	
United States	Dollar		1.0428125	.958947	
Uruguay	Peso	Free	.09528	10.49	
Venezuela	Bolivar	Free	.2280	4.38	
		Official	.3115	3.21	
West Indies Fed.	Dollar		.6106	1.64	(6)
	Pound		2.9310	.3412	(7)
Yugoslavia	Dinar	Official	.001390	719.42	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

CUBA

Area: 44,164 square miles.

Population: 7,000,000, approximately.

Climate: subtropical; cooler season from November to March.

Language: Spanish, but some businessmen also understand English.

Currency: peso; there is no trading in Cuban pesos in U.S. or Canadian banks at present.

Weights and measures: metric system is being introduced but many North American standard weights and measures are of necessity still being used.

Capital: Havana.

Chief ports: the principal port is Havana; other important ones are Mariel and Matanzas on the north coast; Cienfuegos, Guantanamo, and Santiago de Cuba on the south coast.

Marketing centres: (Havana (population) 1,157,445; Holguin 226,571; Camaguey 204,254; Santiago de Cuba 166,189; Bayamo 143,617; Victoria de las Tunas 131,183; Guantanamo 125,731; Sancti Spiritus 115,484; Moron 105,131; Palma Soriano 100,157.

Economy: basically agricultural—sugar, tobacco, coffee, cattle, rice—plus mining, fishing, some light industry.

Total Cuban imports: 1958—U.S.$777 million; 1959—U.S.$615 million; 1960—no information published on 1960 trade.

Chief imports: (in per cent) 1958—machinery, apparatus and vehicles 26.2, foodstuffs and beverages 22.4, petroleum and minerals 14.2, metals and metal manufactures 10.2, chemicals and pharmaceuticals 8.9, paper and products 4.8.

Chief suppliers: (in per cent) 1958—United States 69.8, Venezuela 8.6, West Germany 3.1, Britain 2.8, Canada 2.3. (Details for 1960/61 not available but indications are that chief suppliers are the U.S.S.R. and other Soviet bloc countries.)

Value of imports from Canada: 1959—$15,252,742; 1960—$13,037,868; 1961 (five months)—$12,431,326.

Chief imports from Canada: (Can.$ million) 1960—salt cod 1.5, malt 1.3, table potatoes 1.2, newsprint 1.1, wheat flour 0.9, seed potatoes 0.9, wood pulp 0.8, drugs and medicines 0.6, plastics 0.5, sheet and strip steel 0.3, aircraft engines and parts 0.3.

Total Cuban exports: 1958—U.S.$733,518,578; 1959—U.S. $637,918,875.

Chief exports: (in per cent) 1958—sugar and products 80.9, leaf tobacco and manufactures 6.8, minerals 6.0, agricultural products 3.0.

Chief markets: 1958—U.S., Britain, Japan, Canada, Spain, U.S.S.R.; 1960—U.S.S.R., U.S., Communist China and Sino-Soviet bloc; 1961—U.S.S.R., Communist China and other Sino-Soviet bloc countries.

Value of Canadian purchases: 1959—$12,045,508; 1960—$7,243,092; 1961 (five months) $2,675,096.

Chief Canadian purchases: (Can.$ million) 1960—raw sugar 4.1, molasses 0.6, baler and binder twine 0.5, leaf tobacco 0.4, fresh pineapples 0.3, canned fruit and pulp 0.1, fresh tomatoes 0.1, synthetic fibres 0.1.

Dollar exchange: shortage of foreign exchange; payment terms should be confirmed irrevocable letter of credit.

Prices: quote in U.S. or Canadian dollars f.o.b. port of embarkation or c.i.f. destination.

Trading practices: a government department (Ministerio del Comercio Exterior) directs foreign trade; separate agencies (as sole importer and exporter) effect the actual imports and exports—Empresa Cubana de Importaciones (purchases) and Empresa Cubana de Exportaciones (sales).

Samples: samples and literature should be forwarded to the Commercial Counsellor, Canadian Embassy, Gaveta 6125, Havana, or to sole importer, Empresa Cubana de Importaciones, if direct contact has been established.

Trade agreements: Cuba is a member of GATT and also has concluded bilateral barter trade and payments agreements with practically all Sino-Soviet bloc countries; this has led to ever-increasing trade with the latter.

Import controls, documentation, customs tariffs, marking and labelling: shipments to Cuba are consigned to Empresa Cubana de Importaciones against purchase orders issued by this entity. Further details available from International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Foreign banks: foreign banks, including Canadian, no longer operate in Cuba.

Correspondence: use airmail, 10 cents each half ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
Gaveta 6125
Havana, Cuba